

**Final Report Submitted to the  
United States Agency for International Development**

**Biodiversity Conservation &  
Economic Growth  
Project II (BCEG II)**

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**Submitted by:  
BCEG II, ARD, Inc.**

**The Biodiversity and Economic Conservation II Project  
was a collaborative initiative between the United  
States Agency for International Development  
and the Government of the Republic of Bulgaria**

**Implemented by ARD, Inc.**

**under USAID Contract Number  
LAG-I-00-99-00013-00, Task Order 812,  
Biodiversity and Sustainable Forestry Indefinite Quantity Contract.**

Front cover and inside photo credit: Steven Dennison. “The Devil’s Tooth,” a glacial peak separating the Rila Monastery Nature Park and Rila National Park.

## Table of Contents

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Page	
List of Tables and Text Boxes .....	iii
Acronyms .....	iv
1.0 Summary .....	1
2.0 Introduction .....	6
3.0 Task 1: Conduct Public Hearings and Finalize the Rila Monastery Nature Park Management Plan for Submission to the Council of Ministers for Approval.....	7
3.1 A Practical Model for Public Participation in the Planning Process .....	7
3.2 RMNP Management Plan Precedents .....	11
3.3 The Process ... in Retrospect .....	13
4.0 Task 2: Strengthen the Capacity of the National Trust EcoFund to Administer and Manage the Protected Areas Fund (PAF) and Secure Donor Contributions.....	15
4.1 Main Activities Accomplished .....	15
4.2 Breaking New Ground.....	18
5.0 Task 3: Development of a National Ecotourism Strategy and Action Plan .....	21
5.1 Building a Solid Foundation for Bulgarian Ecotourism .....	21
5.2 Learning from the Process.....	24
6.0 Contract Administration .....	27

### APPENDICES

Appendix 1	BCEG II Scope of Work
Appendix 2	Protocol Letters between the Ministry of Environment and Waters and USAID/Bulgaria
Appendix 3	Task Order Contract Deliverables

- Appendix 4 MoU between Ministry of Environment and Waters, Ministry of Agriculture and Forests, and the Ministry of Culture
- Appendix 5 Draft Government Ordinance on the Structure and Function of the NTEF (and PAF)
- Appendix 6 Ministry of Finance Approval of PAF Matching Funds
- Appendix 7 Operational Strategy for the Protected Areas Fund
- Appendix 8 PAF Fundraising Report
- Appendix 9 NEW Group Terms of Reference
- Appendix 10 FLGR – Opportunities for Sustainable Local Development through the Encouragement of Ecotourism

## List of Tables and Text Boxes

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<b>Table/Box</b>	<b>Title</b>	<b>Page</b>
Table 1.1.	Main Outputs Associated with the BCEG II Task Order Contract...	4
Box 3.1.	Key Stakeholders and Participants in the RMNP Management Planning Process.....	8
Box 4.1.	NTEF Grant Proposal – Proposed Activities for One Year.....	18
Box 5.1.	Ecotourism Action Plan Regions, Sponsors and Players .....	22
Table 5.1.	Themes Discussed in the National–Level Focus Groups.....	23
Table 6.1	Task Order Contract Administration and Short–term Technical Assistance .....	27

## Acronyms

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ARD	ARD, Inc.
BCEG	Biodiversity and Economic Growth Project, I and II
BIOFOR IQC	Biodiversity and Sustainable Forestry Indefinite Quantity Contract
DRNP	Directorate of Rila National Park
ECNC	European Center for Nature Conservation
EBRD	European Bank for Reconstruction and Development
EU	European Union
FLGR	Foundation for Local Government Reform
GEF	Global Environment Facility
GIS	Geographic Information System
GOB	Government of Bulgaria
GTZ	German International Technical Assistance Agency
HEEC	Higher Expert Ecological Council
IT	Information Technology
MoAF	Ministry of Agriculture and Forests
MoC	Ministry of Culture
MoEW	Ministry of Environment and Waters
MoU	Memorandum of Understanding
MP	Management Plan
NATO	North Atlantic Treaty Organization
NETAP	National Ecotourism Action Plan
NETSAP	National Ecotourism Strategy and Action Plan
NETS	National Ecotourism Strategy
NEW Group	National Ecotourism Working Group
NGO	Nongovernment Organization
NTC	National Tourism Council
NTEF	National Trust EcoFund
PAA	Protected Areas Act
PAF	Protected Areas Fund
PTP	Participatory Training Project
REC	Regional Environmental Center for Central and Eastern Europe
RMNP	Rila Monastery Nature Park
SO	Strategic Objective
ToR	Terms of Reference

UK	United Kingdom
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
WB	World Bank
WL	World Learning
WTC	World Tourism Council

## 1.0 Summary

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The Biodiversity Conservation and Economic Growth (BCEG) II Project cannot be viewed as a stand-alone project. The “II” is significant only because it helps set apart and describe a unique set of deliverables. But the results can only truly be viewed in the much larger and longer context of almost 12 years of USAID assistance to Bulgaria’s environmental sector. Four separate contracts (Biodiversity Support Program, the Global Environment Facility [GEF], and BCEG I and II) have progressively built and expanded on the experience, networking, partnerships and political goodwill of the others. The partnerships that USAID has established through these contracts have been solid and long lasting. The policies, products and accomplishments they have helped to shape with Bulgaria’s government, nongovernmental organizations (NGOs), municipalities, scientists, and private businesses and citizens are significant and far-reaching.

Bulgaria is on the threshold of ascension into the European Union and it is now a full member in the North Atlantic Treaty Organization (NATO). USAID has commenced its departure from Bulgaria. The end of this contract and these 12 years of partnership in the environment sector mark the first significant steps of that exit strategy. USAID’s assistance through these projects has helped Bulgaria establish itself as a leader regionally and in Europe in the areas of environmental conservation, biodiversity protection and ecotourism.

The task order contract has helped to support USAID/Bulgaria’s Program Support Objective (SO 4.2) and its Economic Growth and Increased Prosperity Objective (SO 1.3). The crosscutting nature of the contract activities in the areas of biodiversity conservation, private sector investment and ecotourism has helped to spread the benefits in several sectors. In implementing the technical assistance in these sectors, USAID has worked with numerous counterparts that include the Ministry of Environment and Water (MoEW), the Ministry of Agriculture and Forests (MoAF), the Ministry of Economy, the National Trust EcoFund (NTEF), national and local media, NGOs, and private sector companies. USAID has also coordinated regularly with other donors active in these areas including the Swiss government, the World Bank, the European Union, and the United Nations Development Program (UNDP).



*Photo credit: Professor Enev. Rila Monastery was founded in the 10th century by the Bulgarian monk St. John of Rila, and was rebuilt in the 13th century.*

The BCEG II contract has led to several significant results. Most of them are overlapping and crosscutting in and of themselves. Three specific tasks and outcomes are described in this document falling roughly into the categories of biodiversity protection, investments in environmental conservation and ecotourism policy and planning.

USAID funding to Bulgaria through the BCEG II Project has helped to add another scientifically grounded management plan

thoroughly vetted using a public participatory process for one of the nation's protected area jewels, the Rila Monastery Nature Park (RMNP). This plan marks the third developed by ARD with USAID assistance for protected areas in Bulgaria. These plans are being used as models for other management plans developed in the country. The BCEG II Project has completed its obligations with the Rila Monastery Nature Park Management Plan; it has been turned over to the MoEW with its technical review completed with unanimous approval. The Ministry is now responsible for ushering the plan through its final political approval before the Council of Ministers. This review is scheduled at the end of April 2004 and, if approved, the plan immediately becomes valid and operational.



*Photo credit: Jared Hardner. A bicycle enthusiast highlights one of the fundraising activities for the Protected Areas Fund.*

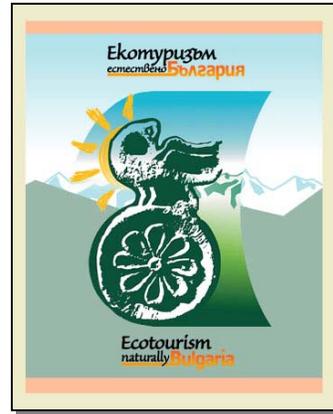
The National Trust EcoFund began operating in 1995, providing grants for environmental activities using debt-for-nature swap funds from the Swiss government. USAID began working with NTEF in 2002 to establish an environmental trust/endowment, the Protected Areas Fund (PAF). Since then, NTEF has worked with the Bulgaria BCEG and BCEG II projects to identify and engage donors, develop strategies and procedures for the fund, and to facilitate the technical process of its formal creation. Significant products from USAID's engagement with NTEF has included:

- Identification and successful engagement of a major donor, Global Environment Facility (GEF);
- Technical legal assistance in the creation of the PAF within NTEF;
- Study tour to the United Kingdom, organized with World Learning's Participatory Training Project (PTP), to explore and learn about establishing, operating and funding endowment funds;
- A fund strategy developed through broad stakeholder engagement and accepted by World Bank as an appropriate framework for GEF funding;
- Operational procedures, including asset management, monitoring and evaluation, fund raising, communication, grant making, account and audit, and administration budgets; and
- Publicity and local corporate partnerships to support the fund.



Through this support, the PAF has developed significantly and is expected to soon begin accepting major grants. NTEF will make the PAF fully operational upon finalization of a GEF grant agreement with the Government of Bulgaria (GOB) for US\$ 2 million, and the subsequent release of a GOB match of an additional US\$ 2 million, a grant from the Government of Switzerland of US\$ 500,000, and a private foundation grant of US\$ 20,000. The GEF expects the grant agreement to be finalized in late 2004. The PAF will be Bulgaria's and Eastern Europe's first conservation endowment fund.

USAID assistance has also contributed substantially to Bulgaria’s leadership role in the tourism sector. With technical assistance provided under the BCEG II contract, the country has developed its first (and Europe’s first) National Ecotourism Strategy and Action Plan (NETSAP). This policy and planning document is a reflection of the rapidly growing rate of tourism development in Bulgaria. The NETSAP was developed in response to a number of local and regional initiatives associated with marketing Bulgaria’s nature conservation programs, local traditions and culture as alternatives to unregulated mass tourism.



The NETSAP confirms Bulgaria’s role as a model for ecotourism development in the Balkans and Europe. It contributes to the strengthening of ecotourism as practiced in Bulgaria and integrates it into the national sustainable tourism development agenda. The plan provides Bulgaria with a tool to galvanize local social and political elements of rural development and link them to income generation, economic growth, and improvements in rural economies. Ecotourism provides value to local practices and traditions; it embraces economies of scale and sustainable business growth.

The main outputs associated with the BCEG II task order contract are listed in Table 1.1. Some of these appear as appendices to this report; others, which are noted in the table, have been produced as stand-alone documents.



*Photo credit: Regional Tourism Association “Stara Planina” Archives. Colorful, locally produced rugs and blankets air outside of a house in Bojentsi, an Architecture Historical Reserve in the Central Balkan National Park Reserve region.*

Other documents and materials were prepared in conjunction with these, many of which can be found in the contract’s quarterly reports, or on websites noted in the text of this report.

The BCEG II contract marks the end of a long relationship with Bulgaria’s environment sector. The results obtained under this contract are the products of a extended line of personal and professional efforts by many people. Bulgaria is using this experience to build and invest in even more improvements and to help ensure that more of the country’s beauty and nature heritage endures. That is the true legacy USAID is leaving behind.

**Table 1.1. Main Outputs Associated with the BCEG II Task Order Contract**

Title	Location	
	Hard copy	Electronic copy
<b>Task 1: Conduct Public Hearings and Finalize the Rila Monastery Nature Park Management Plan for Submission to the Council of Ministers for Approval</b>		
Final Draft Management Plan for the Rila Monastery Nature Park	Separate document	Compact disc sent to MoEW & USAID/Bulgaria
Draft MoU between the Ministries of Culture, Environment and Waters, and Agriculture and Forestry	Appendix 4	
<b>Task 2: Strengthen the Capacity of the National Trust EcoFund to Administer and Manage the Protected Areas Fund (PAF) and Secure Donor Contributions</b>		
A Strategy for the Protected Areas Fund	Separate document	
Draft Government Ordinance on the Structure and Functioning of the NTEF (and PAF)	Appendix 5	
Operational Strategy for the PAF	Appendix 7	
Proposal to fund PAF activities implemented by the National Trust EcoFund	Separate document	
PAF Fundraising Report	Appendix 8	
<b>Task 3: Development of a National Ecotourism Strategy and Action Plan</b>		
Nationwide Regional Ecotourism Action Plans	Separate document	Compact disc sent to MoE & USAID/Bulgaria; see also:
National Ecotourism Strategy and Action Plan	Separate document	<a href="http://www.ecotourism.bulgariatravel.org">www.ecotourism.bulgariatravel.org</a>
National Ecotourism Working (NEW) Group Terms of Reference	Appendix 9	<a href="http://www.ecotourism.bulgariatravel.org">www.ecotourism.bulgariatravel.org</a>
<b>Administrative Documents</b>		
Operational Protocol between the Ministry of Environment and Waters and USAID	Appendix 2	
Ministry of Finance Approval of Protected Areas Fund Matching Funds	Appendix 6	
Quarterly Report I, July–September 2003	Separate document	
Quarterly Report II, October–December 2003	Separate document	



## 2.0 Introduction

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The BCEG II activities have been guided by a life of project work plan approved under the Biodiversity and Sustainable Forestry Indefinite Quantity Contract (BIOFOR IQC). Reports regarding progress were reported quarterly and at the end of the nine-month contract. This Final Report covers the entire period of the contract, July 2003 to March 2004.

The objective of the BCEG II task order contract (see Appendix 1, Scope of Work) has been to provide technical assistance with a focus on three specific areas. These were:

- To obtain an approved management plan for the Rila Monastery Nature Park, including a proposed management mechanism for its implementation. The management plan, once approved, will help to guide activities and investments in this protected area. This Nature Park is more than 70 percent owned by the Bulgarian Orthodox Church and is nationally recognized for its cultural and biological significance. It is also known internationally as a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site;
- To ensure the solid footing and effective operation for the Bulgaria Protected Areas Fund, the first conservation trust fund in Eastern Europe; and
- To develop an approved National Ecotourism Strategy and a five-year Action Plan that will help guide a significant portion of Bulgaria's national tourism development policy.

The official agreement of cooperation between Bulgaria's MoEW and USAID/Bulgaria that outlines the major activities to be conducted is attached to this report as Appendix 2. A list of the specific deliverables called for in the task order contract can be found in Appendix 3.

This document reports on the success of these undertakings in terms of concrete deliverables, and discusses specific aspects of the activities conducted for each of the three tasks. Various appendices at the end of the report provide the reader with supporting documentation related to significant actions under the task order contract. The reader is also encouraged to review the two quarterly reports submitted previously in October 2003 and January 2004 for additional details.

### 3.0 Task 1: Conduct Public Hearings and Finalize the Rila Monastery Nature Park Management Plan for Submission to the Council of Ministers for Approval

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BCEG II staff worked with MoEW technical staff responsible for protected areas management planning (the National Nature Protection Service) and a significant number of other stakeholders to achieve the results called for under this task. During the course of the contract period a public hearing for the Rila Monastery Nature Park (RMNP) Management Plan (MP) was held with measurable publicity and wide participation. Comments received at the public hearing and during the public viewing process were incorporated into the plan. The MoEW's Higher Expert Ecological Council (HEEC) also reviewed the plan as mandated by law and unanimously approved it. Final comments and changes requested by the HEEC were made by BCEG II and the plan was sent officially to the MoEW on 27 February 2004. The Ministry plans for the Council of Ministers to review the plan on 29 April 2004.

This last step in the plan's approval process is the responsibility of the MoEW. Although chances are slight, recommendations for further changes to the plan may be received. Recommendations for changes after the closing of the BCEG II Project at the end of March 2004 will be handled by MoEW technical specialists.

#### 3.1 A Practical Model for Public Participation in the Planning Process



*Photo credit: Steven Dennison. A view of Rila Monastery Nature Park through one of the Monastery's arches.*

The process employed for engaging partners and stakeholders in RMNP management planning has been used successfully twice before by ARD in Bulgaria with the development of the management plans for the Central Balkan and Rila National Parks. Both of these management plans are now being implemented successfully under the guidance of dynamic and forward-thinking managers. The Central Balkan National Park was internationally recognized for excellent management and certified in October 2003 by the European PANParks organization, becoming the first protected area in

Eastern Europe with such designation.

The Rila Monastery Nature Park, although definitely on a par in terms of natural significance and biodiversity, is different from Bulgaria's national parks and hence its

designation as a “Nature Park.” The primary difference is that land areas within the protected area boundary contain private ownership holdings. In this case the private ownership is significant; the Bulgarian Orthodox Church owns 70 percent of the territory within the RMNP. There are other private holdings in addition to those belonging to the Church, but they are small.

In addition to the significant presence of the Church within the Park boundary, there are no less than eight other institutions, not to mention several NGOs, with jurisdictional responsibilities lying within the Park boundary. This broad range of stakeholders presents a unique challenge for planning and management of the area. Box 3.1 presents a short synopsis of some of these major players.

### **Box 3.1. Key Stakeholders and Participants in the RMNP Management Planning Process**

- *The Holy Synod of the Bulgarian Orthodox Church and Monastery*, through Rila Monastery, is the principal owner of lands in the Park. As a religious body and as a landowner, the Church has rights and responsibilities with regards to the monastery and the surrounding lands. These include matters of faith and cultural heritage, as well as issues related to the conservation and use of resources within the Park. The Church has a vested interest to assure that activities on this land conform to Orthodox norms, comply with the law, and provide opportunities to generate income. The management plan for the Park and its future implementation must address these concerns.
- *The Directorate of Rila Monastery Nature Park (RMNP)* is a regional body of the Ministry of Agriculture and Forests (MoAF). The Directorate is a governmental agency assigned by law to coordinate and supervise activities pertinent to the implementation of the management plan for RMNP. It is responsible for activities that include visitor safety, maintenance of trails, public awareness and information, scientific research and education, and monitoring the use of natural resources. The goals and objectives of this territory necessitate close interaction between the Directorate and Rila Monastery regarding these matters.
- *The Regional Forestry Board, Kyustendil*, is the regional arm of the MoAF responsible for organization, control and supervision of activities pertinent to the natural reproduction, use, and protection of forests and lands included within the forest estate on both private and state property.
- *The Regional Inspectorate for the Environment and Waters, Sofia – Pernik Branch*, is MoEW’s regional arm that supervises law enforcement in the

protected areas of the Kyustendil Region within which RMNP is located. The Regional Inspectorate carries out its functions through on-site inspections and by ordering necessary actions as provided by law.

- *The Directorate of Rila National Park (DRNP)* is another regional body directly subordinate to MoEW and is responsible for the management and protection of Rila National Park, a protected area that shares a 60-km common boundary with RMNP. Within the boundaries of the Nature Park itself, DRNP manages, supervises and protects the Rila Monastery Forest Reserve.
- *The National Institute for Monuments of Culture*, on behalf of the Ministry of Culture (MoC), is responsible for the protection, conservation, restoration, and maintenance of sites and objects of cultural and historical importance within the Park.
- *Rila Municipality* is the representative body for local self-governance. Acting through its Municipal Council, it regulates and sanctions all activities within the borders of the Municipality; maintains security and public order; and appoints the mayoral deputy for the Rila Monastery settlement unit that falls within the territory of the Nature Park.

The lands that comprise Rila Monastery Nature Park are recognized as being of paramount significance as they relate both to Bulgaria's and the world's cultural and natural heritage, and to Bulgaria's international standing. To secure and validate this significance, the active participation of all the above-listed institutions in a unified governance mechanism will help ensure maximum coordination and unity of action for the future preservation of the Park's assets and value. Such a mechanism will also help to maintain the Park's utility services and infrastructure, the management of waters and other natural resources, the development of tourism, ongoing scientific research and educational activities, and the provision of information for public awareness.

There are others who have associated interests in the region and who may also have roles to play in present and future undertakings depending on the types of actions that are planned and the kinds of activities being undertaken. These include:

- *The National Energy Company - Dams & Cascades, Blagoevgrad*, which uses,

controls and supervises all water catchment and supply facilities in the Rilska and Iliyana river watersheds.

- *The Bulgarian Academy of Sciences and other scientific institutions* whose representatives in the academic community have performed the most detailed set of studies regarding the conservation significance of this region. They continue to be instrumental in monitoring the status and condition of all natural and cultural assets within the Park.
- *Nongovernmental organizations (NGOs)* that have members with experience and expertise in biodiversity conservation, tourism development, and local self-governance. They can be counted on as major participants in implementing activities in RMNP as well as agents of public support and important resources for the exchange of information.
- *The Directorate for Ecclesiastical Matters to the Council of Ministers*, which has been a very active supporter of the RMNP management planning process. The Directorate is the primary and official liaison between the government and the Bulgarian Orthodox Church. They have worked as an important catalyst between the Church and the Ministries of Environment and Waters, Agriculture and Forestry, and Culture.

The participatory planning model employed by ARD under the BCEG and BCEG II contracts has faithfully engaged all of these partners in producing the RMNP Management Plan. The process has helped to establish an unprecedented relationship between the Bulgarian Orthodox Church and three ministries (MoEW, MoAF, and MoC). In addition to the Abbot of Rila Monastery, three bishops from the Holy Synod participated and contributed in planning discussions and meetings with representatives of other stakeholders. For the first time, the Holy Synod participated in public discussion and debate with the government, scientific institutions, NGOs and the general public during the public hearing held on the management plan. In the majority of the cases the Church did not usually agree with many of the other participants, but they did engage in the discussions.



*Photo credit: Krassimir Kostov. RMNP Management Plan Public Hearing (30 September 2003)*

A special Management Concept Working Group was also formed to discuss how this unique territory with its large landowner and many interested institutional parties could best cooperate in implementing the management plan once the document was approved. This Working Group was made up of representatives from the three ministries, the Directorate of Ecclesiastical Matters, the Holy Synod, the RMNP Abbott, and the BCEG project. Although not always in complete agreement, a management concept that included a Consultative Council was written as part of the draft plan.

The model is a public and participatory one that engaged the national, regional and local media in raising the public's awareness about the planning process, the management plan and the public review of the plan's drafts. The public hearing on the plan was the culmination of a series of activities designed to elicit public comments on the draft plan. A national-level press conference was held to announce the viewing and comment process, regional and local media events underscored this and public awareness materials were produced and widely distributed to alert the people of Bulgaria to this process and to encourage their participation. A separate summary document that highlighted the major activities and presented the plan's zoning in text and color maps was produced and distributed to key stakeholders in government, local municipalities, NGOs and the scientific community. A thematic meeting on tourism for Bulgaria's tourist industry representatives provided a forum for discussing the plan's suggested tourism activities. Three "Open Doors" (open houses) were held nationally, regionally and in Rila Municipality to allow viewing, commentary and questions on the plan. Bulgarian law stipulates only that the public viewing places be announced and that there be a public hearing on the plan. The model employed here followed the legal directive but also went significantly beyond this in engaging the public's participation in the month-long process leading up to the public hearing.

The comments received during the public hearing process were reviewed together with MoEW specialists. All participants posing questions in writing or at the public hearing received responses to their queries. Changes were made in the management plan to reflect these comments; the maps accompanying the plan were also updated.

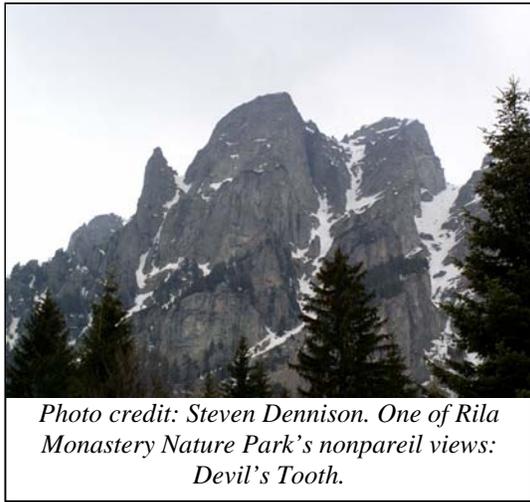
### **3.2 RMNP Management Plan Precedents**

The management plan developed for the RMNP with USAID assistance has provided many opportunities and has also helped to establish unique precedents for Bulgaria's protected areas. One of these just cited involves the relationship that has evolved between government ministries and the Bulgarian Orthodox Church. In response to the public awareness literature prepared by the BCEG project, Mr. Rob Wolters, the Executive Director for the European Center for Nature Conservation (ECNC) wrote,

*"... the rest of Europe could learn a lot from the innovative and participatory approach taken in this project ... I applaud the constructive involvement of the Orthodox Church, ... Rila Monastery and the Bulgarian government."*

The government's efforts to construct a positive future for the Park territory with the Bulgarian Orthodox Church are an accomplishment of international importance. The more the Church and GOB are recognized for these important cultural and conservation management steps, the more certain will be the future of this territory. This really is a "best

practices” example of Church and State striving to work together for conservation in a world that has all too few such unions.



*Photo credit: Steven Dennison. One of Rila Monastery Nature Park's nonpareil views: Devil's Tooth.*

The Rila Monastery is already on UNESCO's list of World Cultural Heritage Sites. It is one of seven such sites in Bulgaria. During a recent visit a UNESCO assessment team was enthralled by the monastery and its unequalled natural setting. They reported that the government should also apply for placing the Nature Park on the UNESCO World Natural Heritage list. They were also very pleased to learn that a management plan existed for the Park and that fact would make approving the application a much easier process. Again, international attention is focusing favorably on this unique natural asset and the cultural gem

inside of it. The Bulgarian Orthodox Church and the Government of Bulgaria stand to receive direct benefits from such action. The people of Bulgaria will gain additional assurance that the sustainable activities put forth in the management plan will maintain the integrity of one of their most treasured natural sites.

During the plan's review process the MoEW also formally recognized the importance and value of establishing a permanent standing committee of core experts for the Higher Expert Ecological Council. Until December 2003, the HEEC was an ad hoc group assembled to review protected area management plans. Realizing that the review of such plans demands a rigorous review with a consistent application of standards, they adopted their new institutional approach. In addition to the core members reviewing the plans additional experts will be added on a case-by-case basis that reflects the region and other special interests that require voices.

Prior to reviewing the Rila Monastery Nature Park Management Plan, the MoEW named its 14 permanent core HEEC members. Eight other voting members selected for this particular review included the Directorate for Ecclesiastical Matters, the Holy Synod, Kyustendil Governor's office, and several others. In early February, the BCEG II Biodiversity Specialist presented the RMNP Management Plan formally to the HEES. They voted unanimously to accept the plan noting several additional adjustments that were required before the MoEW presented it to the Council of Ministers.

The ARD BCEG II staff made those adjustments and sent the plan to the MoEW in hard copy and also electronically on compact discs. The HEEC decision required that parts of the plan be removed, including the text of the proposed Rila Monastery Nature Park Management Concept. In a corollary to this, the HEEC agreed to the Consultative Council that will guide the coordination and decision making within the Park Directorate. In addition, the Management Concept Working Group, comprised of representatives from three ministries and the Directorate of Ecclesiastical Matters, will actively seek (following the

plan's approval by the Council of Ministers) signatures of the ministers from MoEW, MoAF, and MoC on a memorandum stating their unique agreement to cooperate in matters pertaining to the management of the RMNP. A copy of this memorandum appears in Appendix 4 of this report.

The extracted text mandated by the HEEC and mentioned above, contains information pertinent to future planning for the Park. To ensure that this information remains intact and available, BCEG II staff have bound it separately and provided copies to the three main counterpart ministries, the Directorate of the Rila Monastery Nature Park and to the Directorate on Ecclesiastical Matters to the Council of Ministers.

### 3.3 The Process ... in Retrospect

Designing, planning and implementing a public hearing process does not happen overnight. ARD's experience with two previous public hearings for protected area management plans in Bulgaria proved valuable and served as a successful model for the RMNP Management Plan. BCEG II staff worked carefully with MoEW specialists to make certain that the details stated in Bulgaria's Protected Areas Act governing such events were strictly followed. This required periodic and ad hoc meetings for reviewing and refining ARD's implementation of the model.



ARD's previous experience also showed that more public participation is achieved with greater public awareness and knowledge about the event and why it is being conducted. BCEG II staff worked with national, regional and local media to publish notices, grant interviews and to broadcast first-person events. The law simply states that the public hearing must be advertised 20 days prior to the event (a) in a national newspaper and locally/regionally by appropriate means, including announcements in municipal buildings; and (b) by letter to key stakeholders in government, scientific and academic institutions.

Posters, special publications and summaries were also used to make the public aware of the management plan, to alert them and to encourage their participation and comment about protected area planning activities on one of the best known pieces of Bulgaria real estate.

The public awareness campaign did pay off. Participation at the "open house" events was good and the public hearing itself was well attended and allowed for constructive comments and criticism. In hindsight a couple of lessons learned about the public hearing process as implemented by BCEG II are worth additional comment.

First, the summary booklets (published only in Bulgarian language) were easily the most popular and widely read of the public awareness materials prepared for the hearing. They

contained the maps and text that explained the Park's zonation described in the plan and also provided summaries and a synopsis of each section of the plan. Future developers of management plans in Bulgaria would do well to utilize these types of materials when preparing for public hearings and advertising the document being reviewed.

Second, the posters announcing the public hearing and the "Open Doors" should have been more colorful and attractive. Posters, playbills and other public and private announcements are ubiquitous in Bulgaria. Bright colors and/or striking graphics can help ensure that the announcements will be more likely to be seen and read.

The process of planning the public hearing and following through with the adjustments and corrections to the plan in its aftermath is a long one. Plan developers need to be flexible and realistic with their timetables, but also prepared to work quickly and professionally when conditions demand it. BCEG II also recommends that as future plans are prepared for review by the HEEC that the MoEW's National Nature Protection Service charged with announcing the upcoming review send the announcement letters via registered mail/courier. Significant delays at a critical juncture for the RMNP Management Plan occurred because this procedure was not followed.

## 4.0 Task 2: Strengthen the Capacity of the National Trust EcoFund to Administer and Manage the Protected Areas Fund (PAF) and Secure Donor Contributions

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USAID's technical assistance to the National Trust EcoFund (NTEF) began in 2002 when the BCEG project began looking for an existing institution to manage an conservation endowment to serve Bulgaria's protected areas. Since that time the BCEG and BCEG II projects have worked to increase and strengthen the NTEF to manage and administer the Protected Areas Fund (PAF).

Since its establishment in 1995 to manage debt-for-nature swap funds from the Swiss government the NTEF has approved 59 environmental investment projects. Forty-six of these have been completed while 12 are currently being implemented and one is just getting underway. It has magnified its impact by leveraging its financial support to projects at a level of one to four. Respect and recognition for the NTEF as a manager of environmental funds continues to grow. It has played an important role in mobilizing and managing co-financing from other international donors, notably the World Bank and the Danish Environmental Protection Agency. An independent assessment of the NTEF completed in 2003, funded by GTZ, noted that much of the institution's value-added stems from rigorous project cycle management that adheres to a strict framework and transparent guidelines for professional relationships with applicants/grantees and follows a careful monitoring schedule for projects. In addition, NTEF's political independence, strong leadership and highly competent staff, objective and transparent decision-making, and strict application of competitive public tendering procedures are also viewed as hallmarks of its success.

The establishment of the PAF marks a new transitional period for the NTEF. Administering and managing the grants from the endowment's growth and interest monies will be familiar territory for the NTEF, but growing and managing the capital investment, seeking new funds and marketing the PAF are all new. And these activities and concepts are not just new for the NTEF, but for Bulgaria and Eastern Europe as well. The PAF is the first endowment fund, not only for Bulgaria, but for the region as well.

BCEG II's activities with the NTEF have focused on increasing its institutional capacity to manage this new endowment and to build on its experience to grow and administer the endowment.

### 4.1 Main Activities Accomplished

Under the terms of its BCEG II contract, ARD has worked successfully with potential donors to the PAF (World Bank, Swiss government, UNDP) and key Bulgarian stakeholders to help formulate an overall operational strategy for the endowment fund. This strategy meets the guidelines of major potential donors to the PAF.



*Photo credit: Jared Hardner. Fundraising bicycle tour to money for the Protected Areas Fund.*

The BCEG II project also assisted NTEF and the Ministry of Environment and Waters to engage a legal firm to help clarify concepts and revise text in the official ordinance (by-laws and statutes) governing the NTEF that would allow the legal establishment of the Protected Areas Fund (see Appendix 5). This ordinance also clearly states that the PAF would be an independent fund that would be managed by the NTEF. The ordinance was reviewed and commented on by technical specialists in the various government ministries. It then was submitted for review to the Council of Ministers on 15 April 2004 and approved.

One critical point mandated by most potential donors to the new Protected Areas Fund is a commitment by the Government of Bulgaria to recognize its importance and to also contribute directly to the endowment. Most donors insist that this commitment be as a direct one-to-one match for any funds committed by outside sources. The first real test of this commitment comes with the initial capitalization of the PAF that will be in the amount of US\$ 2 million as a grant from the GEF. This is part of an overall package attached to the Forest Development Project loan currently being prepared with the World Bank. An appraisal team visit in March 2004 has stated that the GEF is prepared to move forward with the grant. The Bulgarian Minister of Finance has also clearly stated that the government is prepared to meet the one-to-one matching conditions and to help capitalize the PAF during the 2005-2007 period, up to a ceiling of 12.5 million Bulgarian leva (approximately US\$ 8 million at current exchange rates). A letter certifying the government's commitment to the PAF is found in Appendix 6. This is a very significant step accomplished with inputs from USAID, BCEG assistance and donor cooperation and coordination with the World Bank, GEF, UNDP, and the Swiss government.

A procedures manual (see Appendix 7) for the PAF was developed by an endowment specialist contracted by BCEG II. This document specifically addresses topics of governance, administration, and operational relations that are required by the GEF and other international donors when issuing grants. It provides details and assurances that internationally recognized standards and guidelines for managing, administering and reporting on endowment activities will be followed.

To complement and provide operational details to the overall PAF strategy and procedures, BCEG II technical specialists worked closely with NTEF to develop a communications and fundraising strategy that helps its Executive Bureau to raise public awareness of the PAF, to implement fundraising campaigns and to engage important elements of national and local media all aimed at increasing the assets of the endowment. Special assistance has also been provided to help create a unique logo for the PAF, one that will assist with marketing the endowment and also be immediately identifiable with the environmental issues of the

country. A website (<http://www.pafbg.org>) has also been designed, established and registered alongside the NTEF's (<http://www.ntef-bg.org>). The website is dynamic and BCEG II assistance was used to train NTEF staff in its maintenance and use to allow immediate and easy access to changes and any needed updates.



NTEF, again with BCEG II assistance, designed and implemented two hands-on exercises aimed at raising awareness and funds for the PAF within the country. Targeted information aimed at potential private sector and corporate donors was prepared as brochures, pamphlets and in a PowerPoint® presentation. The latter was recently used to help explain corporate partnership opportunities to members of the American Chamber of Commerce in Bulgaria. A list of 10 initial donors and sponsors that have already been involved with, or who have shown interest in, the PAF can be found in Appendix 8 attached to this report.

The endowment fund specialist engaged by the project also worked closely with the NTEF Executive Bureau to identify asset managers for the PAF. He developed criteria for selecting, contracting and maintaining a productive and effective relationship with the asset manager and worked with NTEF to develop a specific terms of reference (ToR) for their asset manager. These guidelines can also be found in operational manual noted above, attached in Appendix 7 to this report.

Guidelines for PAF-funded project and grants were also established under similar circumstances. NTEF technical staff and BCEG II specialists have set up guidelines and standards for grant applications, their review, selection and eventual monitoring.

Finally, BCEG II assisted the NTEF in two other areas. First, technical aspects of a study tour for NTEF specialists were developed coordinating with the USAID-funded Participatory Training Project (PTP) in Bulgaria implemented by World Learning. BCEG II helped identify resources in the United Kingdom with experience in endowment fund establishment, management, public awareness issues and fundraising—all activities that the NTEF faces as it begins to manage and administer the PAF. The week-long study tour provided face-to-face opportunities for NTEF specialists to learn about, question and network with peers having hands-on experience with new and not-so-new endowment funds.

Secondly, BCEG II has helped the NTEF develop a proposal requesting a grant from USAID to fund activities aimed at putting NTEF on solid operational footing when the PAF becomes official. The proposal requests funding for the immediate term to establish

financial accounts and initiate communications and fundraising activities. Specific results to be obtained with the funding are shown in Box 4.1.

**Box 4.1. NTEF Grant Proposal – Proposed Activities for One Year**

<b>Administering PAF</b>
<ul style="list-style-type: none"> <li>• Develop and administer a new and dedicated system of financial sub-accounts to be operational upon finalization of the GEF grant agreement.</li> </ul>
<b>Increasing NTEF’s Communication and Fundraising Capacity</b>
<ul style="list-style-type: none"> <li>• Implement the PAF communications strategy -- general</li> <li>• Develop a full complement of communications materials aimed at increasing public awareness and fundraising capacity; (outsourcing professional production where necessary)</li> <li>• Identify international and domestic sources of funding</li> <li>• Initiate three major grant proposals to potential donors</li> <li>• Pursue domestic and multi-national corporate partners and sponsors</li> <li>• Design and organize one corporate-sponsored initiative aimed at raising funds for the PAF</li> </ul>
<b>Developing the PAF Information Monitoring System</b>
<ul style="list-style-type: none"> <li>• Develop a two-faceted information system that can monitor/report on baseline information and project performance indicators of impact on protected areas receiving PAF funding</li> <li>• Develop a set of biodiversity priorities for project funding in the nation’s protected areas for the initial three years of the PAF’s operation</li> </ul>
<b>Aligning Donor Requirements with NTEF’s Governance Guidelines</b>
<ul style="list-style-type: none"> <li>• Interpret legal aspects of NTEF’s Ordinance to allow the PAF to function and follow major donor requirements that accompany funding</li> </ul>

**4.2 Breaking New Ground**

Endowment funds, what they mean, how they are capitalized, maintained and marketed are all new concepts for Bulgaria and Bulgarians. The BCEG and BCEG II contracts have significantly helped to build capacity and awareness in this regard.

The technical assistance that USAID has provided to NTEF has been both valuable to the institution and also added value to NTEF and the staff who oversee its daily operation. The development of a strategy that encompasses the administration and maintenance of the PAF is new ground. Fortunately the administration, monitoring and reporting of grants to be supported with PAF funds is not/will not be new. But having to be responsible for raising money definitely is.

Raising funds in Bulgaria is a different concept. Some fundraising for charitable organizations has occurred and some Bulgarians are familiar with this. But NTEF is breaking new ground with the marketing of a concept and an endowment fund that will serve to help supplement other government-paid-for activities in and around the nation's protected areas. Marketing and fundraising will be difficult, both from the perspective of conceptualizing, planning and doing as much as from the perspective of potential private/corporate sponsor or donor who is being solicited.

Corporate sponsors are usually familiar with advertising and raising awareness for products in that manner; the BCEG II and NTEF experiences with planning and working with sponsors for PAF fundraising campaigns have illustrated that. But developing a longer-term relationship and linking their names with another brand, especially one that links their products with protecting and preserving Bulgaria's nature is foreign. The closest example observed to date in Bulgaria is one company's advertisement that greets people arriving at the international airport in Sofia. Here, a Bulgarian photograph shows the country's winter mountain and forest splendor noting that the company's product can be used even in this setting. The advertisement assumes that the beautiful natural scene will always be there.

From the PAF perspective this particular advertisement represents an incredible opportunity to build a market base and add value to both that company's reputation and competitive edge by aligning itself with the PAF that is striving to ensure that Bulgaria's natural beauty will be there in perpetuity. And yet the opportunity gap exists between what is and what could be. It will be the NTEF's job to overcome this and to create new opportunities as the PAF comes on-line and works to further capitalize and raise awareness about the new endowment.

Although the BCEG II project's assistance has helped the NTEF to gain experience in conceptualizing, planning and implementing fundraising efforts, its staff are just beginning to understand and gain confidence in these activities. There is considerable time and investment that goes into planning and implementing any fundraising. Cash contributions are obviously the most welcome type of contribution, and the easiest to account for, but in-kind efforts in terms of media coverage, free advertising, give-away of products, and specific networking activities with donated professional services are also of considerable value and need to be accounted for by

NTEF. These also need to be reported along with the monetary commitments that it obtains in its fundraising activities to its sponsors, partners, and to its Board of Directors.

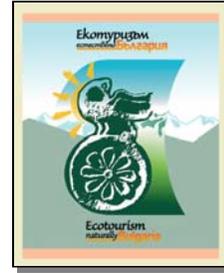


*Photo credit: Jared Hardner. The Central Balkan Snowshoeing Tour, a fundraising event for the Protected Areas Fund (advertisement shown in inset)*

Greater participation by each NTEF member will be required and additional effort will be needed to engage private sector partners and sponsors in specific events designed to raise the general public's awareness of what this is all about. USAID's funding of the bridging grant proposal submitted by NTEF will certainly help to move this process along.

Additional work will be needed to help NTEF increase its potential for private sector outreach and also to tap other new sources of funds from the region and from Europe as a whole. Having the first conservation endowment in Eastern Europe, and one that helps focus greater attention on Bulgaria's unique natural heritage provides a tremendous competitive advantage. As the country moves closer to its ascension to the European Union greater efforts in this direction are warranted. Pre- and post-ascension funding opportunities need to be aggressively explored. This should be in the work plan for the USAID bridging grant and also in the start-up activities associated with the awarding of the GEF capitalization grant. Both Italy and Greece have also been pointed to as potentially excellent sources of bilateral funding for PAF-type endowments; Dutch funds have also been cited as a possible source of capitalization funds for the PAF. The NTEF Board of Directors also need to become stronger advocates for the PAF and *de facto* fundraisers in their own right. They owe at least that much for their positions on the board.

## 5.0 Task 3: Development of a National Ecotourism Strategy and Action Plan



The Bulgaria National Ecotourism Strategy and Action Plan (NETSAP) has been completed. A very successful national forum organized by the ARD BCEG II Project was conducted in January 2004. Participation in the event was very good and it is being viewed as a catalytic event for ecotourism development in the country. The US Ambassador officially presented the document to the Bulgarian Prime Minister who responded positively, indicating that the government would fund the action plan beginning in 2005. The NETSAP is complemented by 12 regional action plans developed as a foundation for the national approach. As of the date of this report, the Ministry of Economy was preparing the necessary papers for NETSAP's official submission and a request for approval by the Council of Ministers.



*Photo credit: ARD/BCEG Archives. U.S. Ambassador to Bulgaria, James Pardew, hands over Bulgaria's first National Ecotourism Strategy and Action Plan to the Prime Minister of Bulgaria, Simeon Saxe-Coburg Gotha. The Minister of Environment and Waters, Delores Arssenova, looks on.*

In November 2004 the premier tourism institution in Bulgaria, the National Tourism Council (NTC), accepted the National Ecotourism Strategy and the ToR for the National Ecotourism Working (NEW) Group. The NTC further recommended that the ToR be submitted to the Ministry of Economy and that the NEW Group be recognized as the institutional mechanism responsible for coordinating NETSAP implementation. As this report was being prepared, the NEW Group Terms of Reference (see Appendix 9) had been submitted to the Ministry of Economy and official formulation is expected soon.

### 5.1 Building a Solid Foundation for Bulgarian Ecotourism

There is a Bulgarian proverb that when translated reads:

*“Sow a seed ... and think about next year;  
“Plant a tree ... and dream about the next decade;  
“Educate people ... and plan for the next century.”*

The activities, processes, and participation that were crammed into the development of the NETSAP included a vast amount of thinking and dreaming, but where it really excelled was in its efforts to involve people in new ways of planning and learning about how they could have ownership of those plans and realize their benefits. Both the action planning process and the forum reaffirmed the importance of “grassroots” participation. Today there is a strong move afoot among the regional tourism associations to galvanize around the strategy and action plan—and a more representative forum of regional tourism associations is expected to make its mark soon on the national stage.

The NETSAP was developed using three unique inputs. First, the Draft National Ecotourism Strategy (NETS) that was completed in June 2003 with USAID technical assistance through the BCEG Project provided the framework. It helped identify key stakeholders on the national stage, illustrated a process for critical thinking by regional entities and laid out an agenda for next steps.

Second, the BCEG II Project organized a rigorous approach for soliciting extensive inputs from a broad range of stakeholders at regional and municipal levels. BCEG II also engaged the services of the Foundation for Local Government Reform (FLGR), an independent Bulgarian resource center with extensive networks and experience in planning arenas of decentralized institutions around the country. The FLGR’s perspective on its participation and outcomes from the process was the subject of an article in its periodic newsletter found in Appendix 10.

The BCEG II staff engaged a professional team of four facilitators to plan, coordinate and work with the FLGR and key regional stakeholders in eight ecoregions around the country. The goal and final product of these efforts was to produce draft regional ecotourism action plans within a period of three months.

Concurrently, BCEG II also coordinated and worked closely with four additional institutions (see Box 5.1) who supported similar efforts with time and funding to help produce four other regional plans on the same time schedule. In all, 12 ecotourism action plans were produced.

**Box 5.1. Ecotourism Action Plan Regions, Sponsors and Players**

Regions Covered	Donor Group
Danube Wetlands	World Bank
Western Stara Planina	Regional Ecological Center (Swiss government)
Eastern Rhodopes	UNDP
Western Border	Regional Governments of Pernick and Kyustendil
Pirin, Western Rhodopes, Bourgas/Strandja, Central Balkan, Rila, Eastern Stara Planina, Varna	USAID/BCEG II
<p><b>Twelve Regional Action Plans were produced with inputs from:</b></p> <p>400 meetings and workshops</p> <p>1,500 individuals</p> <p>800 institutions</p> <p>140 municipalities</p>	

**The Regional Action Planning Process was publicized by:**

- 18 press conferences
- 120 registered publications and broadcasts in local and regional media

The third set of inputs to the NETSAP came from a series of thematic focus group discussions (see Table 5.1). Coordinated and implemented by BCEG II specialists, a classic *adelpi* technique was employed to obtain inputs, generate discussion and set priorities for ecotourism within the six, often overlapping, themes. Seventy-two specialists representing 45 institutions met twice in each of their focus groups over a two-week period. The focus group facilitator provided a written synopsis that reviewed the six themes listing concrete proposals and prioritizing actions for the NETSAP.

**Table 5.1. Themes Discussed in the National–Level Focus Groups**

Focus Group Theme	No. of Participants
Information Technology and GIS for Ecotourism Development	13
Ecotourism Enterprise Development	14
Financing and Financial Mechanisms for Ecotourism	10
Ecotourism Product Development and Marketing	10
Institutional Development	11
Ecotourism and Local Government*	14

\* Many of the participants involved in this group were actively involved in pre-election activities in their respective municipalities. FLGR suggested replacing one of the planned meetings with written interviews. This worked well and satisfactory results were also achieved from this group.

The action planning process used in the development of the NETSAP was new and innovative for Bulgaria. The timetable employed, although restrictive, forced key stakeholders to become engaged quickly, to resolve issues and to arrive at a consensus when priorities for action were set. The broad participation in the regions also meant that the action plans would enjoy wide support across the country. The ownership of the action plans, although tinted with national-level vocabulary, resides most definitely and proudly within the regions.

USAID assistance through the ARD BCEG II project has helped to create a solid foundation for ecotourism development in Bulgaria. Through its planning and coordination efforts, three national workshops were held to develop, discuss and subsequently present the regional ecotourism plans. The Second National Forum—“Ecotourism – Naturally Bulgaria” put this squarely in the national development agenda and highlighted themes to the Ministry

of Economy that can be used to advertise Bulgaria as an ecotourism destination regionally, though Europe and around the globe.

Media coverage was extensive throughout the whole process. National and regional press conferences helped to introduce the process and local, regional and national press, radio and television were used to conduct interviews, provide announcements and provided excellent reporting nationwide.

Specific outputs from the activities undertaken under the task include:

- Twelve regional ecotourism action plans;
- A National Ecotourism Strategy and Action Plan (in Bulgarian and English);
- An ecotourism website with management and maintenance turned over to the Ministry of Economy (see: [www.ecotourism.bulgariatravel.org](http://www.ecotourism.bulgariatravel.org));
- A regional planning process report; and
- A compact disc: *Ecotourism—Naturally Bulgaria*.



Photo credit:ARD/ BCEG Archives. Second National Forum—“Ecotourism-naturally Bulgaria.”

## 5.2 Learning from the Process

NETSAP’s development has broken much new ground in Bulgaria. Many of the techniques used have been employed elsewhere; but for Bulgaria it has been unique. It has also made Bulgaria a leader regionally and in Europe, creating the first national ecotourism strategy and action plan for the continent. Looking back, there are numerous factors that contributed to its creation; some have been discussed above. This section examines a few more of the details and also comments on other lessons learned.

Much of the success achieved with the NETSAP development can be attributed to the broad base of participation and ownership for the plan that was thoroughly established at the regional level. In addition to the ownership and coordination roles given to the regional institutions, USAID’s technical assistance also helped to build valuable capacity in the local groups and associations and engender a “can do” approach to planning.

In hindsight, the time factors that constrained the scope of planned activities probably also contributed to their success. The social dynamics of working toward goals that had a short time horizon forced decision making and participation that otherwise might have floundered. The intensity of the process probably helped to spark its creativity.

Being able to build on the previously established successful relationships between the protected areas and local tourism associations was also a factor in the NETSAP’s success. The Kalofer and Samakov associations, for example, who had worked closely with the BCEG project in the past, were invaluable in sharing their experience and know-how with

other regional groups. This served to “jump-start” the planning in the beginning and also help stakeholders and facilitators throughout the three-month action-planning period to serve as reference points and as checks for what was in the realm of the possible for the more fledgling institutions.

The overall process could have benefited from a stronger and more rigorous involvement by the Ministry of the Economy from the very beginning. A discussion of strategies employed, decisions made and a general “reality check” with one or two assigned specialists from the ministry would have been beneficial. It would certainly have contributed to a greater degree of institutionalization and would also have helped to provide greater certainty for ownership and coordination of the implementation of the Action Plan in the future. The National Tourism Council also should have been involved sooner. Politics within the ministry aside, these steps probably would have helped to create the NEW Group at an earlier date and also establish some precedents for practical activity by the members of that Group.

The Ministry of Economy could also benefit from more substantial coordination of donor activities. USAID, as it moves through its graduation strategy, may be in a position to be a catalyst for this type of action. Donors need to be more proactive in provoking the Ministry of Economy and ask how their specific activities link with others on the Bulgarian landscape. The BCEG II project coordinated its regional ecotourism activities with those of other donors operating in similar spheres in other regions; substantial value could have been added with additional coordination with the Ministry of Economy. Hopefully the government’s promises to fund and implement the NETSAP beginning in 2005, and the formation of the NEW Group, will help provide additional capacity that will address the overall lack of coordination and a needed perspective of the larger ecotourism and tourism picture.

Finally, there are several additional points that our end-point perspective now allows us to see more clearly. First, a greater degree of “institutionalization” of ecotourism and ecotourism concepts would have greater certainty had universities been included as strategic partners in the process. They would have been challenged earlier on to support activities and to be engaged in the ideas presented in the strategy. Their impact on human resources for the sector cannot be discounted. Hopefully the NETSAP, and the process used in its development, will at a minimum be utilized by those faculty teaching tourism courses and graduate seminars.

Although the BCEG II Project’s experience with volunteer focus group participants in the thematic discussions was positive, a slightly different approach may have yielded even greater results, and added additional value cross-sectorally. The technique employed to gather information from experts was new to most of the participants. This made them suspicious and doubtful of the overall results and valuable time (and probably inputs) was lost.



*Photo credit: Anton Vorauer. A Bulgarian fisherman on the Danube River.*

An alternative approach would have been to hire them each as paid consultants for about 1.5 days of their time. They were provided with materials beforehand, but often came unprepared. Paying them would probably give them additional incentive and also encourage them to be more active and assured participants in the discussions. The format would be kept the same, but instead of two sessions, three half-day workshops would be held. The first could be spent more on procedures and background, the second on discussions about specific details and the third half-day making hard choices and decisions about setting the priorities about ecotourism in each of the theme areas. Our experience and 20-20 hindsight tells us that these sessions would have better focused results and much greater value to the participants, not because of their consultative role, but more due to the level of discussions that would likely prevail.

Finally, there is a real vacuum outside of the existing government structures for an independent tourism group, a “federation of tourism associations.” Following the presentation of the regional action plans and in activities surrounding the national forum, several regional associations began to make moves in this direction. It is likely to happen, and as the regional and municipal planning efforts take on the ecotourism and tourism agendas, there will be additional interest for such a collective voice. This would be a group that presents, coordinates, and informs others as a clearinghouse for ecotourism information, and that serves to present more of a balance to the messages currently being marketed by the four or five largest tourism companies operating in Bulgaria.

## 6.0 Contract Administration

The activities conducted and the outputs and tasks achieved under the task order were the results of countless hours of professional collaboration among technical specialists and citizens from government, NGOs, the Bulgarian Orthodox Church, academic institutions, municipalities and the private sector. The main Bulgarian government partner in this effort was the Ministry of Environment and Waters, and notably that ministry's National Nature Protection Service. ARD staff also worked closely with the technical services of the Ministry of Agriculture and Forests, the Ministry of Economy and the Ministry of Culture. In each instance professional involvement from service staff of these ministries at the provincial and municipal levels was key to achieving the results under this contract. Another significant partner under this contract has been the devoted and experienced inputs from the technical and administrative staff, and the Board of Directors of the National Trust EcoFund. Their collaboration helped seal the successful establishment of Bulgaria's first endowment fund, the Protected Areas Fund.

The task order contract managed by ARD utilized a Project Management Unit comprised of technical and administrative specialists. Their activities were complemented with services provided by the Bulgarian private sector via local subcontracts and by direct technical inputs from international and local consultants. Table 6.1 summarizes the administrative and consultant contributions (level of effort) for the task order.

**Table 6.1 Task Order Contract Administration and Short-term Technical Assistance**

Technical Assistance Type	No. of specialists	International	Local
		--- person months ---	
<b>Project Management Unit (PMU)</b>			
Institutional development specialists	2	7.7	--
Biodiversity specialist (Task 1)	1	--	9.0
Ecotourism specialist (Task 3)	1	--	9.0
Communication specialist (Tasks 1, 2, 3)	1	--	9.0
Administrative support	4	--	26.8
<b>Technical task areas</b>			
Task 1 - RMNP Management Plan	4	--	1.0
Task 2 - NTEF/PAF Strengthening	2	1.4	0.7
Task 3 - Ecotourism Strategy & Action Plan	11	1.4	15.0
<b>Totals</b>	<b>26</b>	<b>10.5</b>	<b>70.5</b>

## Appendices



Photo credit: ARD/BCEG Archives. Bird Watchers in Central Balkan National Park.

**Appendix 1: Biodiversity Conservation and Economic Growth  
Project (BCEG II) Scope of Work**

**USAID Contract No. LAG-I-812-99-00013-00, Task Order No. 812**

**Appendix 2: Protocol Letters between the Ministry of  
Environment and Waters and USAID/Bulgaria**

## **Appendix 3: Task Order Contract Deliverables**



## Task Order Contract Deliverables

Deliverable	Quarter 1 July–September 2003	Quarter 2 October–December 2003	Quarter 3 January – March 2003
<b>Task 1: Conduct Public Hearing and Finalize the Rila Monastery Nature Park Plan for Submission to the Council of Ministers for Approval</b>			
Printed materials, maps, copies of management plan drafts and other relevant information prepared for the public hearing	<b>Completed</b>		
Signed statement, or other evidence of agreement between the Church and appropriate GoB agency(ies) on the management mechanism for Rila Monastery Nature Park	Ongoing	Ongoing	<b>Pending CoM Approval</b> (MoEW, MoAF, MoC to sign, Church abstains)
Public hearing on Rila Monastery Nature Park delivered	<b>Completed</b>		
Finalized management plan for Rila Monastery Nature Park incorporating issues from the public hearings delivered to the Higher Expert Ecological Council and the Council of Ministers		Ongoing	<b>Completed</b>
Copies of the final management plan reproduced and distributed in English and Bulgarian			<b>Next-to-Final Completed</b>
<b>Task 2: Strengthen the Capacity of the National Trust Ecofund to Administer and Manage the Protected Areas Fund and Secure Donor Contributions</b>			
Strategy for the Protected Areas Fund drafted	<b>Completed</b>		
Recommendations on revised NTEF bylaws and statutes, administration and management guidelines, and guidelines on project/grant approval delivered to the NTEF	Ongoing	<b>Completed</b>	
Fundraising and communication strategies delivered to the NTEF	Ongoing	<b>Completed</b>	
Training on endowment management, fundraising and related accounting and financial reporting delivered to the NTEF		Ongoing	<b>Completed</b>
List of no less than 8 viable private sector, foundation or corporate donors and plans for initial fundraising activity	Ongoing	Ongoing	<b>Completed</b>

## Task Order Contract Deliverables

<b>Task 3: Development of a National Ecotourism Strategy and Action Plan</b>			
Regional action plans developed for 8 regions	Ongoing	<b>Completed</b>	
Finalized National Strategy and Action Plan		Delayed	<b>Completed</b>
National workshop to present the Strategy and Action Plan			<b>Completed</b>
Strategy and Action Plan sent to the Council of Ministers (and National Tourism Council)			<b>Pending through Min of Economy</b>

**Appendix 4: MoU between Ministry of Environment and  
Waters, Ministry of Agriculture and Forests, and  
the Ministry of Culture**

**REPUBLIC OF BULGARIA**



Ministry of the Environment  
and Waters

Ministry of Culture

Ministry of Agriculture  
and Forests

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**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE MINISTRY OF THE ENVIRONMENT AND WATERS,  
THE MINISTRY OF AGRICULTURE AND FORESTS  
AND  
THE MINISTRY OF CULTURE  
ON  
COORDINATION AND INTERACTION IN THE MANAGEMENT OF  
RILA MONASTERY NATURE PARK**

**The Ministry of the Environment and Waters,  
The Ministry of Agriculture and Forests, and  
The Ministry of Culture,**

*Agreeing* that they are responsible for the conservation of the natural and cultural heritage of the Republic of Bulgaria, as well as that, in fulfillment of the powers and prerogatives vested in them by the Constitution and the laws of this country, are concerned about the maintenance and development of the system of protected areas in Bulgaria as part of the national and European ecological network, the conservation of biological diversity and the maintenance and conservation of cultural monuments;

*Mindful of:*

- the Significance of the Holy Monastery of Rila for the people of Bulgaria as a sacred place for prayer and pilgrimage and an object of national pride and self-awareness;
- the significance of Rila Monastery Nature Park and the Rila Monastery Forest Reserve for the conservation of some of the most valuable natural assets of Bulgaria, Europe and the World;
- the significance of Rila Monastery as a listed site under the UNESCO Convention of the World Cultural and Natural Heritage;
- the significance of the Nature Park, as a tourist destination with over half a million visitors annually, for the economic development of the region and the country;

*Appreciative* of the fact that the purpose of Rila Monastery Nature Park is the conservation of the natural, cultural, historical and religious heritage within the Park territory and the harmony between them, including the application of the principles of sustainable use of renewable natural resources in conditions of preserved traditional forms of livelihood and provisions for tourism development, and *aware* of the responsibility of government institutions for the protection of assets preserved in this territory.

*Aware* also that the Management Plan for Rila Monastery Nature Park is the tool which defines the framework of performance of activities pertinent to the conservation of the cultural and natural heritage, the use of resources and the development of tourism and educational activities in the Park's territory;

*Appreciative* of the need for a **new, special mechanism** of coordination and interaction between the actions of the government bodies and agencies, a mechanism that would assist and further reinforce the effective fulfillment of their functions and responsibilities relevant to their concern for this **unique protected area**,

We hereby *declare* the willingness of our Ministries and their respective structures to actively cooperate in providing the utmost coordination and interaction in the implementation of the Management Plan for Rila Monastery Nature Park, as well as the fulfillment of all legitimate obligations in the territory of the said Park.

The proposed coordination and interaction between the Ministries shall amount to the following:

- To appoint experts that would act as permanent coordinators on all matters of the Park's management;
- To contribute towards the creation of a Consultative Council under the Directorate of Rila Monastery Nature Park, in keeping with the Rules and Regulations Governing the Activities and Functions of Nature Park Directorates, and to appoint their permanent representatives to it, together with their deputies;
- To provide methodological and expert assistance to regional and local authorities, private owners and non-governmental organizations in performing activities pertinent to the implementation of the Management Plan for Rila Monastery Nature Park and the conservation and promotion of the natural, cultural and historical assets within it;
- To mobilize the existing financial resources and to cooperate amongst themselves in the provision of the requisite budget allocations as would ensure the effective management and development of Rila Monastery Nature Park and the proper discharge of their functions and responsibilities according to their rights and obligations as provided by law;
- To draft and implement joint programs and initiatives pertinent to education, public awareness and rallying public support for the conservation and development of Rila Monastery Nature Park as part of the Bulgarian national heritage;
- To cooperate amongst themselves, to encourage and seek the support of other responsible institutions in order to provide optimum conditions for turning Rila Monastery and the Nature Park into a center of scientific research and education on matters of the spirit and natural sciences;
- To convene, as appropriate, working meetings and to form expert committees for discussing concrete issues of public significance related to issues of the management of Rila Monastery Nature Park, by involving in the deliberations all interested parties on a national, regional and local level.

We hereby *declare* that the Ministries shall continue to cooperate amongst themselves in their dealings with the Bulgarian Orthodox Church, which is the rightful owner of most of the lands within Rila Monastery Nature Park, in order to reach a common understanding and agreement between the Government of the Republic of

Bulgaria and the Holy Synod of the Bulgarian Orthodox Church on the management mechanism for Rila Monastery Nature Park as proposed in the Management Plan.

The Ministry of the Environment and Waters, the Ministry of Culture and the Ministry of Agriculture and Forests invite all interested parties to accept this Memorandum as an expression of our willingness to cooperate amongst ourselves in all activities pertinent to the conservation and maintenance of harmony between the cultural, spiritual and natural assets in the territory of the Park in compliance with its declared goals and significance. The Ministries shall coordinate their efforts towards setting, through Rila Monastery Nature Park, an example of contemporary management of a protected area in the name of conservation of values and assets that belong not merely to the people of Bulgaria but to all mankind, with full respect for the interests and responsibilities of the private landowners, the State and local communities.

Signed on....., 2004, in three identical copies, one for each signatory, by:

=====

=====

=====

Dolores ARSENOVA  
Minister  
MOEW

Bozhidar ABRASHEV  
Minister  
MC

Mehmed Dikme  
Minister  
MAF

City of Sofia,  
.....2004

**Appendix 5: Draft Government Ordinance on the Structure and  
function of the NTEF (and PAF)**

**Government Ordinance**  
**on the Structure and Functioning of the National Trust EcoFund**

**Chapter One**

**GENERAL PROVISIONS**

**Art. 1.** (1) The National Trust EcoFund (NTEF), with registered office in Sofia, is a legal person for management of proceeds allocated for environmental conservation in the Republic of Bulgaria resulting from swap “debt-for-environment” or “debt-for-nature” transactions, or extended by governments, international financial institutions and other donors.

(2) While performing its activity the NTEF shall act independently and shall only comply with the national legislation and international treaties, which the Republic of Bulgaria is a party to.

(3) NTEF shall be managed in compliance with the principles of openness and accountability.

**Art. 2** (1) NTEF’s sources of financing shall be:

1. Target funds from the State Budget, including funds in relation to debt-for-environment and debt-for-nature transactions;
2. Donations from international financial institutions, from governments, international funds or foreign legal persons, provided for ecological programs or projects;
3. Gratuity funds granted by international foundations or foreign citizens aiming to assist the state policy on the environment;
4. Loan and interest repayments on loans granted through the Fund;
5. Interest on the NTEF deposit accounts with the servicing banks;
6. Proceeds from portfolio investment in short-term government bonds and securities;
7. Other proceeds consistent with the purposes and activities of the Fund.

(2) The funds of the National Trust EcoFund shall be spent on environmental projects and activities in accordance with the donors’ requirements and conditions and the priorities of the national environmental plans and strategies.

(3) Priority areas for financing with the funds under para (2) shall be set out in the Statutes on the structure and functioning of the NTEF.

(4) Funds under (2) above shall be provided either as grants or loans, depending on criteria approved by the Board of NTEF.

**Art. 3.** The operational costs of the NTEF shall be at the expense of:

1. resources, specially provided to the NTEF for the above purpose
2. other NTEF funds, under the conditions and in the amounts agreed with donors.

## Draft September 20<sup>th</sup> 2003

**Art. 4** All NTEF funds shall be accounted for in pursuance of the *Accounting Act* and in compliance with the requirements of the donors, regarding the funds provided by them.

**Art. 5** (1) A Protected Areas Fund (PAF) shall be set up within the NTEF to provide long-term financial support to the national system of protected areas.

(2) The PAF shall have the following sources of financing:

1. proceeds allocated to the NTEF for achievement for the objectives under Para. 1;
2. other NTEF proceeds allocated by the Board of Directors following an agreement procedure with the Advisory Committee;
3. interest and proceeds from investment of funds under sub-paras. 1 and 2 above;

(3) The PAF's resources shall be spent for achievement of its objectives and to cover the NTEF's maintenance costs under the terms and conditions agreed on with the donors.

(4) Financing under para 3 shall be secured only through interest and proceeds from investment as per para 2, sub-para 3, except if otherwise agreed in the Agreement with the respective donor.

(5) The funds of the PAF shall be kept and accounted for separately from the rest of NTEF funds.

(6) Priority spheres to be funded from the Protected Areas Fund shall be set out in the Statutes on the structure and functioning of NTEF.

## Chapter Two

### ORGANIZATIONAL STRUCTURE AND MANAGEMENT

**Art. 6.** The NTEF bodies shall be:

1. Board of Directors (BD);
2. Advisory Committee (AC);
3. Executive Bureau (EB).

### Section I

#### Board of Directors

**Art. 7.** (1) The Board of Directors shall comprise seven persons, including a Chairperson and two Deputy Chairpersons.

**Art. 8** (1) The Chairperson of the Board shall be selected and dismissed by the Council of Ministers.

(2) The term in office of the Chair of the Board of Directors shall be 5 years.

(3) The nominee for BD chairperson shall be approved in advance by the Advisory Committee.

## Draft September 20<sup>th</sup> 2003

(4) The Chairperson of the Board of Directors must be a mentally able Bulgarian citizen:

1. Having higher education;
2. Having the required professional and moral qualities;
3. Never been sentenced for an intentional crime of general nature as a person of age.

(5) During his term in office, the Chairperson of the Board of Directors may not hold a position with any other governmental structures or state structures nor be a member of a political party.

(6) The Chairperson's powers shall be discontinued in case of:

1. expiry of the term under para 2
2. the chairperson's handing of his/her resignation to the Council of Ministers;
3. entry in force of a sentence for a criminal offence of general nature;
4. lasting actual incapability to perform its duties for a period longer than 6 months, established in compliance with the respective procedure;
5. inelectability or incompatibility of positions held has been established;
6. demise.

(7) The Council of Ministers shall select a new BD chairperson not later than 3 months after the occurrence of circumstances under Para 6.

(8) The functions of the Chairperson, as provided for under para 7, until a new BD Chairperson has been selected, shall be performed by:

1. the current BD Chairperson – in the case of para 6, sub-paras 1 and 2;
2. one of the deputy chairpersons, selected by the BD upon agreement with the AC – in the cases of para 6, sub-paras 3-6.

**Art. 9** (1) The Deputy Minister of Environment and Water under Art. 10, Para. 1, Subpara. 1 shall be one of the Deputy Chairpersons of the Board of Directors.

(2) The Board of Directors shall elect the other Deputy Chairperson among the persons under Art. 10, Para. 1, Subpara. 4-6.

**Art. 10** (1) Members of the Board shall be:

1. a Deputy Minister of Environment and Water;
2. a Deputy Minister of Finance;
3. a Deputy Minister of Agriculture and Forests
4. a representative of the Bulgarian Academy of Science;
5. a representative of non-governmental ecological organizations, registered under the Law on Legal Persons with non-business purposes, whose sphere of activity deals comprehensively with environmental issues;
6. a representative of municipalities in the Republic of Bulgaria.

## Draft September 20<sup>th</sup> 2003

(2) The deputy ministers under para. (1), sub-paras. 1-3 above, shall be appointed by order issued by the respective Minister. The respective Minister shall appoint a permanent alternative representative of their ministry in the Board of Directors with voting rights for the occasions when the deputy ministers would not be able to participate in the work of the Board of Directors.

(3) The representative of the Bulgarian Academy of Science shall be appointed by its Academic Council.

(4) The non-governmental ecological organizations under para (1), sub-para 5 above, nominate their joint representative by agreement among them. If ecological NGOs fail to agree on the joint representative to be elected by 3 months from the occurrence of the circumstances under para 7, sub-para 2, a representative shall be elected for them by the Board from among the nominated candidates of ecological NGOs under para. (1), sub-para. 5 above.

(5) The representative of municipalities in Bulgaria shall be appointed by the National Association of Municipalities in the Republic of Bulgaria.

(6) The term in office of the members of the Board of Directors under para. 1, sub-paras. 4-5 shall be five years.

(7) The term in office of the members of the Board of Directors shall be terminated as follows:

1. In the case of persons under para. 1, sub-paras. 1-3, in the event of their replacement by another deputy minister in accordance with the procedure set out in Para. 2 or termination of their powers as deputy ministers;

2. In the case of persons under Para. 1, sub-paras. 4-5:

- a) with the expiry of the term under para 6;
- b) submission of resignation to the BD;
- c) effectiveness of a sentence for intentional crime of general nature;
- d) demise.

3. In the case of person under Para. 1, subpara.6:

- a) resignation from the position in the bodies of the local administration or the local self government held at the time of election for representative of the municipalities;
- b) submission of resignation to the BD;
- c) effectiveness of a sentence for intentional crime of general nature;
- d) demise

(8) In cases where the Board of Directors deliberates on projects in the spheres of energy, construction, tourism, transportation etc., an authorized representative of the respective government agency having the right to a consultative vote shall participate in the deliberations.

**Art. 11.** The Board of Directors

1. Defines the general strategy and policy governing the activities of NTEF;
2. Adopts the Statutes on the structure and functioning of the NTEF following consultations with the Advisory Committee.
3. takes decisions with regard to contracts and donations in favor of NTEF and authorizes the chairperson of the BD to sign them on behalf of NTEF;
4. Defines the criteria for priority funding by NTEF;
5. Makes the final decision on proposals submitted by the Director of the EB for allocation of funds from NTEF;
6. Approves sample application forms for funding from NTEF, as well as sample-contracts;
7. Defines, as per the agreement with the respective donor, the rules and conditions for holding open tenders for procurement of goods and services relevant to projects financed from NTEF;
8. Defines the terms and conditions, procedures and criteria for providing grants or loans from NTEF funds;
9. Approves the annual plan and annual activity reports submitted by the Director of the EB for the overall activities of NTEF;
10. Approves draft budgets, as submitted by the EB, for financing the activity of the EB, and for financial means deposited in the NTEF accounts and disbursed as per Art. 2 para 2 above.
11. Accepts the annual reports submitted by the Director of EB on the budgets under para 10 above;
12. May initiate financial audits, including by external auditors, of the EB activities;
13. Elects Deputy Chairperson of the Board of Directors under Art. 9, Para. 2;
14. Elects and dismisses the Director of the NTEF Executive Bureau;
15. Sets the amount of the monthly salary of the Director of the EB and approves the number, staff and staff positions of the EB proposed by the Director;
16. Takes decisions on other issues related to the functioning of NTEF, which are not of the exclusive competence of other bodies.

**Art. 12.** (1) Meetings of the Board of Directors shall be ordinary and extraordinary.

(2) Ordinary meetings shall be held at least once in 3 months;

(3) The meetings shall be convened by the BD Chairperson on his own initiative, on the proposal of the Director of the EB or upon a written request by at least four of the members of the Board. In the event of Art.8, para 8, sub-para 2 the meeting shall be convened by the EB director or by at least four of the members of the Board;

## Draft September 20<sup>th</sup> 2003

(4) The Chairperson shall convene a meeting by written invitations to the BD members enclosing the proposed agenda, time and place of the meeting. The Chairperson shall also inform of the forthcoming meeting the Advisory Committee, the EB director and the persons under Art. 10, Para. 8.

(5) Invitation to attend the meeting shall be sent to persons under Para. 2 at least two weeks prior to the day of the meeting.

(6) BD meetings shall be considered valid if attended by at least 5 Board members;

(7) The Board of Directors rules on matters within its competence by a majority of more than half of the attending voting members.

(8) Decisions under Art. 11, para 2,4, 7, 8 and 13 shall be taken by a majority of more than half of the total number of BD members.

(9) Minutes are kept for every meeting of the Board of Directors, which are signed by all attending members and then kept by the EB.

(10) Where a member has signed the minutes with reservations, a written statement to that effect shall be attached thereto.

**Art. 13.** (1) The Chair of the Board of Directors shall receive an annual pay equal to twice the average annual salary of a member of the staff of the Executive Bureau.

(2) For every Board session they participate in, the Deputy Chairman and the members of the Board of Directors, respectively the permanent alternative representatives under Art. 10, para 2 shall receive payment equal to 30% of the average monthly salary in Bulgaria for persons employed under a labor or service contract in the public sector as per data provided by the National Statistics Institute.

**Art. 14.** (1) The Chairperson of the Board of Directors:

1. Represents NTEF before the Government of the Republic of Bulgaria and before the governments of other countries, foreign organizations and other Bulgarian and foreign institutions and persons;

2. Chairs the meetings of the BD and is responsible for its activity;

3. Signs donation contracts in favor of NTEF after being authorized accordingly by the BD

4. Signs financing contracts on behalf of NTEF;

5. Submits annually by April 30, to the Council of Ministers through the Minister of Environment and Water a report, endorsed by the Board of Directors, on the activity of the fund;

6. Appoints the NTEF EB Director elected by the Board.

7. Notifies the Advisory Committee of the BD decisions;

8. Should the circumstances under Art. 10, Para. 7 arise, informs the institutions and organizations under Art. 10, Paras. 2-5 about the necessity to elect a new member of the Board of Directors.

## Draft September 20<sup>th</sup> 2003

9. Where necessary, delegates its powers under subparas. 1-7 to one of the Deputy Chairpersons of the Board of Directors;

(2) The Deputy Chairpersons of the Board of Directors assist the Chairperson in his/her work and perform the functions assigned by the latter.

### Section II

#### Advisory Committee

**Art. 15.** (1) The Advisory Committee of NTEF comprises representatives of the donors who have declared their willingness to participate therein.

(2) The AC work organization shall be defined by its members.

**Art. 16.** (1) The Advisory Committee shall have the right to nominate its representatives entitled to participate with a consultative vote in the work of the Board of Directors.

(2) The Advisory Committee shall have the right to review, assess and present a judgment on proposals for extension of NTEF funds.

(3) Unless otherwise provided for in the Donor Agreement, Donors shall be entitled to reject projects subject to financing through funds provided by the respective donor.

(4) Donors shall have the right under Para. 3 regardless of their being or not being members of the Advisory Committee.

(5) The Advisory Committee may rule on external auditing of funds and/or projects subject to NTEF funding.

### Section III

#### Executive Bureau

**Art. 17.** (1) The Executive Bureau is an auxiliary body to the Board of Directors and comprises the following staff:

1. Director;
2. Chief Economic Expert;
3. Chief Technical Expert;
4. experts;
5. technical and support staff.

(2) If necessary, the Board of Directors shall have the right to set up other positions in the EB following consultations with the AC.

**Art. 18.** The Executive Bureau:

1. Organizes the activities of the National Trust EcoFund;

## Draft September 20<sup>th</sup> 2003

2. Draws up draft budgets under Art. 11, para 10
3. Prepares the relevant documentation and organizes the meetings of the BD;
4. Develops sample applications and sample-contract for NTEF funding; assists in defining the rules for conducting open tenders; the criteria for selection of priority ecological projects; the forms, terms, and procedures of extension of funds from NTEF and following consultations with the AC, the Executive Bureau submits all these for BD's approval;
5. Publicizes through the mass media the criteria for priority funding from NTEF, and the forms, terms, conditions and procedures to receive funds therefrom;
6. Assesses and short-lists projects seeking NTEF funding submitted to the Fund, in conformity with the criteria and conditions approved by the Board of Directors;
7. Prepares the relevant documentation for projects eligible for funding from NTEF;
8. Submits the projects proposed for financing to the Advisory Committee and donors under Art. 16 Para. 3 who are not members of the AC for opinion prior to their submission for consideration by the BD; projects rejected by donors under Art. 16 para. 3 may not be submitted for approval by the BD;
9. On request, presents to the AC and to donors under Art. 16, Para. 3 who are not members of the AC any additional information relevant for evaluation of funding applications submitted to the AC for consideration.
10. Submits to the BD information on projects rejected for NTEF financing at the preliminary stage;
11. Arranges and coordinates communication between donors and users of NTEF-funded projects;
12. Organizes and/ or supervises the performance of tender procedures for procurement of goods and services and project implementation;
13. Promotes and develops, in conjunction with potential donors, projects to be funded and co-funded with NTEF funds;
14. Organizes the preparation and signing of financing agreements involving granting of NTEF funds; coordinates and supervises the implementation thereof;
15. Monitors and assesses projects in the course of implementation and following completion thereof;
16. Maintains a database of NTEF funds by sources, by contracts, and by purposes of expenditure;
17. Undertakes consultations with institutions, organizations and experts;
18. Secures the implementation of BD decisions;
19. Take decision on other matters delegated within its competence by the BD and the Statute on the structure and functioning of NTEF

## Draft September 20<sup>th</sup> 2003

**Art. 19.** The Director of the EB shall be appointed and dismissed by the BD.

(2) The term in office of the EB Director shall be 5 years.

(3) The powers of the EB Director shall be terminated in the event of:

1. expiry of the term under para 2;
2. submission of resignation to the BD;
3. entry in force of a sentence for a criminal offence of general nature;
4. lasting actual incapability to perform its duties for a period longer than 6 months, established in compliance with the respective procedure;
5. demise.

**Article 20.** The EB Director shall

1. manage the NTEF in fulfillment of the decisions of the BD;
2. be responsible for proposal of projects and spending of NTEF funds;
3. approve of the results of carried out open tenders;
4. submit to the BD for approval the draft budgets under Art. 11, para 10.
5. submit to the BD for approval the annual reports on execution of budgets under Art. 11, para 10.
6. assign expert assessments, services and other activities relevant to the functioning of NTEF;
7. Submit for approval by the BD the job descriptions of the EB staff; appoint and dismiss EB staff members.
8. Attend the meetings of the Board of Directors;
9. take decision on other matters delegated within its competence by the BD and the Statute on the structure and functioning of NTEF

**Art. 21** (1) A Technical Expert Committee on Protected Areas (TECPA) shall be established with the EB to support it in assessing and selecting projects to be financed through PAF resources.

(2) The TECPA shall comprise representatives of the institutions and persons whose activity aim to achieve the objectives under Art. 5, para. 1.

(3) The TECPA's functions and manner of establishing its composition shall be governed by the Statutes on the structure and functioning of the NTEF.

**Art. 22.** In fulfillment of their obligations and functions, the NTEF bodies shall interact and cooperate with bodies of local government and the regional administrations.

**ADDITIONAL PROVISION**

§ 1. Within the meaning of this Ordinance “donors” shall mean governments other than the Bulgarian government, financial institutions and other persons that have provided resources or assistance to the NTEF.

**TRANSITORY AND FINAL PROVISIONS**

§ 2. This Ordinance is issued on the grounds set out in Art. 67 in conjunction with § 4 of the Transitory and Final Provisions of the *Environmental Protection Act* and repeals the Ordinance on the Structure and Functioning of the National Trust EcoFund (adopted by Decree of the Council of Ministers No 163 of Aug 14, 1995, promulgated in the State Gazette, issue 74 of Aug 22,1995, Amended issue 5 of Jan 19, 1999, taking effect on Jan 1, 1999, amended and supplemented issue 74 of Aug 20, 1999).

§ 3. Within one month from the effectiveness of this Ordinance, the Minister of Agriculture and Forests in accordance with Art. 10, Para. 2 shall designate by order the persons that are to replace the Deputy Minister and the Permanent Alternative representative of the Ministry of Economy in the current Board of Directors.

§ 4. Within three months of the effectiveness of this Ordinance, the National Association of Municipalities in accordance with Art. 10, Para. 5 shall elect its representative to the Board of Directors.

§ 5. The remaining members of the current BD shall continue the discharge of their functions until expiry of their term in office.

## **Appendix 6: Ministry of Finance Approval of PAF Matching Funds**

**REPUBLIC OF BULGARIA**  
**MINISTRY OF ENVIRONMENT AND WATER**

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**I APPROVE:**     *(signed, round seal of the  
Ministry of Finances)*  
**MINISTER OF FINANCES**  
**(MILEN VELCHEV)**

**FINANCIAL SUBSTANTIATION**  
**Of the draft Regulation on the Procedures and Activities of the National Trust Eco Fund**

The draft regulation recreates the successful and practice proven provisions of the current Regulation and introduces certain changes in the current legal regime of the National Trust Eco Fund.

The new in this Regulation is that it implements the multi-annual efforts of the governmental institutions, the non-government sector, the international donors and other stakeholders to create a sustainable mechanism for financing of the conservation and development activities for Bulgaria's protected areas. The draft regulations sets out the functions of the Protected Areas Fund to be incorporated within the NTEF and will not be an independent legal person. The incorporation of the PAF will not cause significant increase in the existing NTEF administration since the new fund will be managed by the NTEF general administration.

A possibility is created for the Protected Areas Fund to operate as a constant donor fund. This means that it is possible to invest donated funds in low-risk equities as provided for by Article 68, paragraph 1, item 6 of the Environment Protection Act. Financing of nature conservation projects will be provided from the revenues obtained from such investments unless agreed otherwise with the donors. The optimal functioning of the Fund requires that a total amount of investment funds of 25 million levs. The main source of such capital are international donors which have already stated their strong interest to contribute. The usual condition of the contributing donors is, as agreed with them during the negotiations, that the government of the Republic of Bulgaria should match the funding at a ratio of not more than 1:1. The presumption is that the matching amount provided by the government will be up to 12.5 million levs from the 2005-2007 state budget, depending on the possibilities for the particular year, provided that Bulgaria can ensure contributions from the relevant other donors.

The direct enforcement of the regulation will not require money from the budget.

Minister:  
*(signed, round seal of the Ministry of Finances)*

## **Appendix 7: Operational Strategy for the Protected Areas Fund**

**Bulgarian  
Protected Areas Fund  
Strategy**

**Version: December 15, 2003**

## TABLE OF CONTENTS

Foreword	1
Acknowledgements	2
Executive Summary	3
Introduction	4
Mission and Objectives	6
Institutional and Legal Framework	7
Operations	9
Clients	
Grantmaking	
Administration Costs	
Account and Audit	
Monitoring and Evaluation	
Communications	
Fundraising	
Endowment Management	
Annex A: Logical Framework	20
Annex B: Grant Application	23

# Bulgarian Protected Areas Fund Strategy

## I. FOREWORD

The Bulgarian Government's efforts in the establishment and strengthening of the national protected areas system present clear evidence of its biodiversity conservation policy. This policy finds expression in the progressive state funding for protected areas management.

While the necessity of funding protected areas increases every year, there also appear a greater number of opportunities for sustainable livelihood of the people living around protected areas. Indeed, funding activities in protected areas contributes to the social and economic development of neighboring communities. Nature preservation does not impose limitations – rather it creates economic development opportunities.

The establishment of a mechanism for sustainable financing of protected areas management activities, supplementing the efforts of the state, is of vital importance for the future of nature protection in the country.

The Protected Areas Fund is established in the framework of the existing National Trust EcoFund specifically to meet this need. It is envisaged as an endowment fund, where the principal is invested and the income supports projects.

The National Trust EcoFund is an institution with a history of success and a solid reputation, both in the country and among foreign financing institutions. It has the capacity and readiness to establish and manage the new Protected Areas Fund, thus ensuring long term financing for protected areas management, supplementary to the normal state budget.

The National Trust EcoFund elaborated the Protected Areas Fund Strategy for a period of five years through a participatory approach, involving all stakeholders – state institutions as policy makers, financial institutions as potential donors to the fund, as well as its potential beneficiaries. The successful implementation of the Strategy will depend on all of them, which necessitates their participation at all stages of the decision making process.

At the same time, the Government of Bulgaria, through the Ministry of Environment and Waters, the Ministry of Agriculture and Forests and the Ministry of Finance, should maintain its political responsibility for the success of the Protected Areas Fund. The State, as initiator of this Fund, shall always be its warrant before the foreign donor institutions and the Bulgarian and foreign corporate Fund sponsors.

The present Strategy is the first five-year strategy of the Protected Areas Fund, designed as an open and “living” document. It will serve as a general framework for the activities to be undertaken in the process of establishment and institutionalization of the Fund.

Chairman of the Board of Directors  
Dr. Valentin Bossevski

# Bulgarian Protected Areas Fund Strategy

## **II. ACKNOWLEDGEMENTS**

The Protected Areas Fund Strategy was developed through collaboration between the National Trust EcoFund (NTEF), United States Agency for International Development (USAID) through the Bulgarian Biodiversity Conservation and Economic Growth Project (BCEG), the World Bank and Global Environment Facility. This strategy document was made possible through the active stakeholder involvement of the Government of Bulgaria, bilateral donors, and the Bulgarian private sector.

## Bulgarian Protected Areas Fund Strategy

### III. EXECUTIVE SUMMARY

Bulgaria presents an exceptional opportunity for biodiversity conservation in Europe. Poised at the confluence of three major eco-regions, its biodiversity profile includes not only a wide array of species, but also an unusually high level of endemism and endangered species. The extent of intact natural ecosystems in Bulgaria is unmatched in Europe.

The Government of Bulgaria (GOB) seeks to ensure the long-term protection of biodiversity through a *Protected Areas Fund* (PAF). A multi-stakeholder group convened in May and July of 2003 to develop the PAF strategy. The vision for the fund, synthesized from feedback from government ministries, park directorates, NGOs, and donors, is *an independent sustainable funding mechanism that collaborates in a transparent and efficient manner with government and other stakeholders in the improved management of Bulgaria's protected areas*. The mission statement for the PAF is:

**To support the protection of the landscapes, natural habitats, and biodiversity of Bulgaria's protected areas as envisioned in the *National Strategy for the Conservation of Biological Diversity*, through sustained funding that complements normal<sup>1</sup> government expenditures and co-financing from donor projects for protected areas.**

The fund will operate within the existing National Trust EcoFund and will focus on the themes of biodiversity conservation, infrastructure, management plan development, sustainable economic use of protected areas, communication and education, and institutional strengthening. This document outlines the legal, institutional, and operational framework of the fund.

The Government of Bulgaria is making a strong commitment to this fund and to the nation's protected areas. It will match international grants to the fund, up to BGL 12.5 million. In addition, it will continue to support the annual budget of the protected areas system at a cost of BGL 1.72 million in 2003, and increasing by 20 percent per year over the next four years.

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<sup>1</sup> Normal government expenditures include salaries, recurring maintenance costs of existing equipment and infrastructure, and biodiversity monitoring required for Natura 2000. The fund builds on those base expenditures to enhance the quality of biodiversity conservation in Bulgaria.

## Bulgarian Protected Areas Fund Strategy

### IV. INTRODUCTION

Bulgaria's protected areas encompass 5% of the country's territory. They are comprised of the following categories: 90 reserves; 3 national parks (Rila, Pirin, and Central Balkan); 457 natural landmarks; 10 nature parks; and, 175 protected localities. These protected areas are home to some 4,000 invertebrate species of which about one quarter are a global conservation priority, and 300 vertebrate species, two-thirds of which are protected under both Bulgarian and international law. Some of the most significant populations of large mammals in Europe also reside here: red deer, wolf, brown bear, and Balkan chamois.

Bulgaria's biodiversity is closely linked to thousands of years of traditional and sustainable use. Many plant species continue to be used in daily life. Today, Bulgaria is one of the most active exporters of wild medicinal plants in Europe. Eighteen species of edible mushrooms with high commercial value can be found in Bulgaria's protected areas, from a total of 2000 naturally occurring species. Many rural communities support themselves through collection of such non-timber resources in Bulgaria's protected areas. Approximately BGL 1.5 million is derived annually from wild blueberry collection *alone* in Bulgaria's three National Parks – a direct economic benefit to Bulgaria's most needy citizens.

Following its commitment to the *International Biodiversity Convention* in 1992 with the *Environmental Protection Act*, Bulgaria adopted the first *National Strategy for the Conservation of Biological Diversity* in 1994. In 1998 the *Protected Areas Act* established the legal framework for the declaration and management of protected areas, the principal conservation tool of the Bulgarian government. The Biodiversity Conservation Act of 2000 provides for the establishment of a national ecological network in keeping with NATURA 2000. It defines the responsibilities of the State, municipalities and individual citizens in protecting the diversity of plant and animal species within and outside the protected areas system. It is complemented by the National Action Plan for Biological Diversity Conservation of 2000.

The concept for the PAF grew out of the activities conducted by USAID's BCEG Project. These activities focused on the long-term financial sustainability of Bulgaria's protected areas system, and ultimately led to the idea of developing Bulgaria's (and Eastern Europe's) first trust fund for the conservation of biodiversity within the national protected areas system.

Nations such as Bulgaria house a wealth of biodiversity that generates global value – that is, the benefits of maintaining natural habitat and healthy species populations extend beyond the borders of the country. International donors, as a result, may seek out responsible, efficient, and effective financial mechanisms, such as trusts, to channel grants to cover the incremental costs of world-class conservation management in those countries unable to afford it under current economic circumstances. A trust fund for protected areas in Bulgaria creates opportunities for this type of international assistance.

Another reason for a trust fund is to create a vehicle for private and corporate contributions to protected areas management. Private individuals with a personal interest in conservation may choose to contribute to the fund, as well as businesses that: a) seek to improve entrepreneurial initiatives related to protected areas, such as tourism; b) wish to enhance their brand name through the public profile generated by a contribution; and c) view donations to the protected areas system as a component of their Corporate Social Responsibility strategy. Once a trust is in place, the number of

## Bulgarian Protected Areas Fund Strategy

possible sources of funding may blossom that previously were unknown or not possible without the existence of a non-governmental entity administering these funds.

Under the leadership of the National Trust EcoFund, USAID’s BCEG Project, and the World Bank/Global Environment Facility, a multi-stakeholder group convened in May and July of 2003 to design a strategy for Bulgaria’s first trust fund for protected areas. Table 1 summarizes the participation in the strategic planning process. The stakeholder group formulated a vision and mission statement, developed a logical framework, and proposed operational guidelines. This document represents a synthesis of the stakeholder process.

<b>TABLE 1: PROTECTED AREAS STAKEHOLDER PARTICIPATION</b>	
<b><i>Stakeholders</i></b>	<b>Institutions</b>
Government	<ul style="list-style-type: none"> <li>▪ Ministry of Environment and Waters</li> <li>▪ Ministry of Agriculture and Forests</li> <li>▪ Ministry of Economy</li> <li>▪ Ministry of Finance</li> <li>▪ Regional Environment Inspectors</li> </ul>
International Donor Organizations	<ul style="list-style-type: none"> <li>▪ US Agency for International Development</li> <li>▪ World Bank</li> <li>▪ UN Development Program</li> <li>▪ European Union</li> <li>▪ Swiss Government</li> <li>▪ Danish Government</li> </ul>
Potential beneficiaries	<ul style="list-style-type: none"> <li>▪ Protected areas managers</li> <li>▪ Conservation NGOs</li> <li>▪ Eco-tourism associations/private businesses</li> </ul>

## Bulgarian Protected Areas Fund Strategy

### V. MISSION AND OBJECTIVES

The vision for the PAF is *an independent sustainable funding mechanism that collaborates in a transparent and efficient manner with government and other stakeholders in the improved management of Bulgaria's protected areas*. The mission statement for the fund is:

**To support the protection of the landscapes, natural habitats, and biodiversity of Bulgaria's protected areas as envisioned in the *National Strategy for the Conservation of Biological Diversity*, through sustained funding that complements normal government expenditures and co-financing from donor projects for protected areas.**

The fund will enhance and complement current government spending on protected areas along the themes of:

- Biodiversity conservation;
- Infrastructure within protected areas;
- Management plan development;
- Sustainable economic use of protected areas; and,
- Communication and education.

The logical framework (Annex A) lists the specific objectives, performance indicators, and means of verification for each of these themes.

### VI. INSTITUTIONAL AND LEGAL FRAMEWORK

#### *Institutional Framework*

The PAF will be integrated into the National Trust EcoFund, an independent non-governmental entity governed by law to administer funds for environmental management. The Government of Bulgaria originally created NTEF to accommodate funds created by a debt-for-environment swap with the Swiss Government. NTEF provides a unique opportunity to utilize an existing trust fund, with seven years of experience and a proven track record of independence, accountability, and transparency, satisfactory to past donors and clients including the Swiss Government and World Bank.

The PAF will work with the Ministry of Agriculture and Forests, Ministry of Environment and Waters, and Ministry of Finance, to fulfill its mission of improving protected areas management in Bulgaria. In addition, the PAF will collaborate with the Bulgarian Academy of Sciences and the academic community, NGOs, and the private sector in its work. The activities for the PAF are determined by: the statute and ordinance that formed and govern the NTEF; the multi-stakeholder Board of Directors; and the donor-comprised Advisory Board. It is therefore, independent of government or any other specific interest group.

Stakeholders of the PAF include the Ministry of Agriculture and Forests, Ministry of Environment and Waters, and the Ministry of Finance, National Park and Nature Park Directorates, Regional Inspectorates, municipalities, environmental and other NGOs operating in the zone of influence of protected areas, private businesses and business associations with initiatives related to protected areas, academia, and donors to the PAF.

#### *Legal Context*

The broader legislative context for the PAF is comprised of acts guiding environmental management and conservation of biodiversity in Bulgaria. They include:

- Environmental Protection Act (1995, 2002)
- Protected Areas Act (1998)
- Biodiversity Conservation Act (2002)
- International Biodiversity Convention (1995)

In addition to those acts, the national strategies and action plans for biodiversity conservation include:

- National Strategy for Biological Diversity Conservation
- National Action Plan for Biological Diversity Conservation

The Government of Bulgaria established the National Trust EcoFund by a legislative process in 1995. Since the PAF will operate within the NTEF, this legislation will guide the activities of the PAF, and it is being revised to reflect this and specific donor requirements. There are four key legal mechanisms:

- Environmental Protection Act (2002), Art. 66, 67, 68
- Ordinance for the Organization and Activity of the National Trust EcoFund
- Statute for the Organization and Activity of the National Trust EcoFund

## Bulgarian Protected Areas Fund Strategy

- Agreement between Government of the Republic of Bulgaria and Government of the Confederation of Switzerland on the “Debt-for-Environment” Swap

The fourth legal mechanism listed above is an international agreement that supersedes Bulgarian legislative processes. The agreement ensures independence of the trust from government. This mechanism expires when funds from the Swiss “Debt-for-Environment” swap are exhausted. It will need to be replaced with a similar international agreement for other international donors, such as GEF, that have strict requirements for fund independence.

### *Governance Structure*

The NTEF is comprised of three bodies: Board of Directors; Advisory Board; and Executive Bureau. The Board of Directors is composed of seven members:

- Deputy Minister of Environment and Waters;
- Deputy Minister of Agriculture and Forestry;
- Deputy Minister of Finance;
- NGO representative of environmental groups;
- NGO representative of municipalities;
- A representative from the Bulgarian Academy of Sciences; and,
- The Chairman of the Board (*no stakeholder affiliations*).

The Chairman of the Board is required to be independent of any role in government and have no political party affiliations. The Chairman must also have appropriate technical background and experience related to environmental and conservation management. While the Chairman must be approved by the Council of Ministers of the GOB, he must first be approved by donors to the fund (via the Advisory Board, see below).

The deputy ministers shall be appointed by their Ministry. The respective Minister shall appoint a permanent alternative representative of their ministry in the Board of Directors with voting rights for the occasions when the deputy ministers are not able to participate in the work of the Board of Directors. The representative of the Bulgarian Academy of Science shall be appointed by its Academic Council. The environmental NGOs shall be responsible to nominate a joint representative. If they fail to agree on a joint representative, one shall be elected for them by the Board from among the nominated candidates. The representative of municipalities in Bulgaria shall be appointed by the National Association of Municipalities.

The Advisory Board is composed of donors to the fund. The Advisory Board has the right to: make recommendations to the Board of Directors on any issues related to fund administration; approve nominations for Chairman of the Board; and, veto project funding.

The Executive Bureau implements activities of NTEF. It is composed of an Executive Director as well as financial, technical, and administrative personnel. The current staffing is: i) Director; ii) Financial Officer; iii) Accountant; iv) Technical Officer; v) Environmental Expert; vi) Office Manager; Driver; vii) Support personnel. A full human resources needs review for the operation of the PAF will be completed in January of 2004 by USAID’s BCEG II project, but major changes are not expected.

# Bulgarian Protected Areas Fund Strategy

## VII. OPERATIONS

The operational guidelines set forth are the product of:

- The legal parameters for NTEF operations, as found in its ordinance and statute;
- Donor requirements;
- Proposals of the stakeholders convened to design the PAF strategy.

Additional specific guidelines will become available over the course of 2004. They will be made available in an updated version of this document as well as periodic notices and publications of the PAF.

### Clients

Potential clients (beneficiaries) of the PAF include: National Park and Nature Park Directorates; Regional Environmental Inspectorates; municipalities; environmental, tourism and other NGOs operating in the zone of influence of protected areas; private businesses and business associations with initiatives related to protected areas; and, academia.

### Grant Making

#### *Overview*

All grants must, as a primary condition, fit within the themes and objectives of the PAF, as outlined in the Logical Framework (Annex A). All projects that meet this primary condition will be assessed on the basis of practical, technical, and scientific merits.

The review and selection process will emphasize transparency. The PAF will use the following measures:

- The PAF will use the evaluation criteria put forth in this document;
- Grant proposals will be reviewed by PAF staff, and outside experts when necessary, to determine their merit based on the evaluation criteria;
- Each grant proposal will receive a graded evaluation statement that explains the basis for accepting or rejecting the proposal;
- All accepted grant proposals will be available to the public, with a summary of their evaluation; and,
- Proposals by entities other than Park Directorates that involve activities within protected areas, or activities that may directly affect protected areas, must be accompanied by a letter of agreement from relevant Park Directorates.

#### *Conditions*

All projects shall:

1. Comply with the PAF's logical framework (priority areas/themes), with clear statement of problems and how they will be addressed;

## Bulgarian Protected Areas Fund Strategy

2. Create net *positive* environmental benefit, as described in an environmental assessment and if required by the Environmental Protection Act, a formal environmental impact assessment (EIA);
3. Complement *normal* government expenditures in protected areas (*normal* government expenditures include salaries, recurring maintenance costs of existing equipment and infrastructure, and biodiversity monitoring required for Natura 2000);
4. Have measurable outcomes to ensure meeting the log frame indicators
5. Comply with International and Bulgarian legislation, including
  - Protected Areas Act
  - Biodiversity Conservation Act
  - Environmental Protection Act
  - International Biodiversity Convention
  - National Strategy for Biological Diversity Conservation
  - National Action Plan for Biological Diversity Conservation
6. Provide project documents in compliance with requirements as publicized by the NTEF, quoting updated technical solutions and prices;
7. Provide evidence for organizational and financial ability to operate project upon completion and to ensure desired environmental effect for entire duration of project;
8. Present evidence of co-financing, if possible (co-financed projects preferred).

### ***Application***

Project proposals and application documents shall be submitted pursuant to the published NTEF/PAF procedures and in accordance with the Application (Annex B). Applications include the following:

1. Information about the applicant;
2. Project name and site description;
3. Project objectives;
4. Project description;
5. Methodology;
6. Implementation schedule;
7. Qualification and experience of key personnel;
8. Project financing plan and budget;
9. Counterpart funding;
10. Project sustainability evaluation;
11. Project significance evaluation;
12. Other projects in the region of project implementation;
13. List of Collaborating Entities;
14. Additional documents;
15. Project evaluation (including Monitoring and Evaluation Plan); and,
16. Environmental Assessment Checklist and/or Environmental Impact Assessment.

### ***Application Evaluation***

Selection of projects shall follow six criteria.

## Bulgarian Protected Areas Fund Strategy

1. Relevance
  - Does the project create a net positive environmental impact?
  - How relevant is the proposal to the PAF logical framework?
  - How clearly defined are the project objectives?
  - To what extent do results to be achieved solve addressed problems?
2. Methodology
  - How coherent is the overall project design?
  - How clear and feasible is the plan of action?
  - To what extent does the proposal contain objectively verifiable indicators for project outcomes?
3. Sustainability
  - To what extent are the results of the proposed project sustainable?
    - a) Financially
    - b) Institutionally
4. Budget and cost effectiveness
  - To what extent is the budget clear and detailed?
  - To what extent is the proposed expenditure necessary for the implementation of the project and how realistic is the budget breakdown?
5. Management Capacity and Expertise
  - How satisfactory is the current management capacity of the applicant (including staff, equipment and its ability to handle the project budget)?

Priority will be given to those projects that:

- Correspond to protected area management plans (when management plans exist);
- Address threats to protected areas;
- Identify a clear link between activities and the desired protected area outcomes;
- Can be used as pilot projects that may be applied at a larger scale or be replicated in or around other protected areas;
- Provide linkages such as ecological corridors, social linkages, sharing of experience between protected area management authorities or local communities.

### ***Selection Process***

#### Executive Bureau Committee Review

The Executive Bureau Committee (EBC) evaluates the project's compliance with established criteria and terms. The Committee shall be appointed by the Executive Bureau Director and includes members of the Finance and Economic and Technical Divisions of the Fund as well as if needed, qualified external experts retained for project evaluation. The Executive Bureau Committee's decisions shall be recorded and the minutes shall be signed by the Executive Bureau Director.

#### Technical expert committee on PAF (TECPAF)

TECPAF issues an expert statement on the eligibility of the project.

#### Advisory Committee Approval

## Bulgarian Protected Areas Fund Strategy

The Advisory Committee approves or rejects proposed projects. AC's decisions for rejection are final, unless otherwise provided for in the agreement with the respective Source of Financing, whose funds have been earmarked for the project under review. The Advisory Committee may approve for further consideration by the Board of Directors projects that have been rejected by the Executive Bureau. The AC decisions shall be in writing and shall include supporting arguments.

### Board of Directors Approval

Final decision for approval or rejection is made by the Board of Directors on the basis of the Executive Bureau minutes and the Advisory Committee's decisions, unless otherwise provided for in the agreement with the respective Source of Financing.

### Administration Costs of the PAF

The cost of grants administration should not exceed 25 percent of the annual PAF budget, as a general guideline for trust funds supported by GEF. The following tables detail the administration cost breakdowns for the PAF.

<b>ANNUAL NTEF RECURRENT ADMINISTRATION COSTS AND PAF BURDEN</b>		
	<b>Total NTEF Budget</b>	<b>PAF Cost Burden</b>
PAF Administration		
Salaries & Benefits (Full time staff)	\$67,000	\$22,000
Institutional Strengthening	\$6,000	\$5,000
Technical Assistance to Projects	\$20,000	\$12,000
Office Expenses, Vehicle Maintenance	\$30,000	\$10,000
Audit	\$18,000	\$6,000
Major Procurement	See Table Below	See Table Below
<b>Total</b>	<b>\$141,000</b>	<b>\$55,000</b>

<b>PROCUREMENT PLAN FOR NTEF</b>		
<b>Item</b>	<b>Total NTEF</b>	<b>PAF Cost Burden</b>
<b>Year 1</b>		
Computers and Office Equipment		
Copy Machine (1)	\$4,000	\$1,333
Vehicles		
4x4 Truck	\$20,000	\$20,000
<b>Year 2</b>		
Computers and Office Equipment		
Server (1)	\$ 1,500	\$500
Workstations (7)	\$14,000	\$4,667
Printers (3)	\$ 3,000	\$1,000
<b>Year 3</b>		
No Procurement Projected		
<b>Year 4</b>		
No Procurement Projected		

## Bulgarian Protected Areas Fund Strategy

### **Account and Audit of the PAF**

The PAF will be subject to periodic independent audit according to national accounting norms, as well as donor audits according to international norms. The audited financial report of the PAF will be published in the fund's Annual Report. Accounting and auditing procedures will be presented in further detail in subsequent drafts of this report.

### **Monitoring and Evaluation of the PAF**

Performance indicators listed in the Logical Framework will be the basis for monitoring and evaluation of the PAF. Monitoring information on these metrics will be published periodically in a Monitoring and Evaluation Report. A complete monitoring and evaluation plan is under development.

### **Communications**

The communications plan has two objectives, to ensure transparency and accountability with the public and donors, and to assist in fundraising activities. The PAF meets these objectives using two key documents, the Annual Report and the Monitoring and Evaluation Report, and through continuous engagement mechanisms including the PAF website and a "Green Journalists Club."

### ***Reporting and Transparency***

The PAF will be expected to account for all funds received and spent, provide clear metrics of performance, and demonstrate fairness and objectivity in the selection of beneficiaries. This information will be made to donors and the public, ensuring that the PAF conducts all of its financial and technical activities in an open, objective, and honest manner.

There are three primary public reporting requirements for the PAF, all of which will be made available to donors and the public through the PAF website, and in hard copy upon request.

- *Annual Report*: Includes an audited financial report and a summary of annual activities, including performance as measured by the indicators in the Logical Framework (Annex A).
- *Monitoring and Evaluation Report*: Compiled in collaboration with Park Directorates, provides information on conservation status of the protected areas system, including performance as measured by the indicators in the Logical Framework (Annex A).
- *Grants Information*: The PAF will publish guidelines for grants, including timelines, selection criteria, and application materials. Applications accepted for grants shall be published, along with scores received in evaluation in order to inform the public of grants provided and the rationale for selecting them.

### ***Support for Fund Raising***

Fund raising activities will require support in the form of informational materials on the PAF and the Bulgarian protected areas system and media campaigns for corporate partnerships.

## Bulgarian Protected Areas Fund Strategy

- *Informational Materials:* The Monitoring and Evaluation Report can serve as a base for developing informational materials on Bulgarian biodiversity and the effectiveness and needs of the protected areas system. This information will be important for informing potential donors of the importance of Bulgaria's biodiversity and the necessity of supporting its conservation.
- *Media Campaigns:* Media campaigns with corporate partners will form the basis of domestic fund raising efforts as well as awareness building of the fund. Assistance with media coverage of *events* and *signature programs* will require that NTEF maintain a strong relationship with various media outlets. The "Green Journalists Club" will serve as a reliable cadre of reporters interested in the accomplishments of the PAF and able to provide analytical and in-depth reporting for the general public.

### ***Implementation***

Communication should be a primary activity of the PAF, and should be budgeted accordingly and integrated into all relevant activities. Implementation begins with internal policies that emphasize professionalism, transparency, informative communication, and timeliness. Guidelines for effective responses to stakeholder queries, internal information sharing, media liaison, and international networking must be established and followed consistently. One member or more of NTEF should be selected as a spokesperson for the PAF, and receive training in communication, if necessary. External professional assistance in communication should be used as needed for development of a PAF image and preparation of promotional materials and press releases.

The implementation of the communications strategy has three components.

- Creation of a PAF identity
  - Mission Statement
  - Logo
- Projection of PAF to public
  - Web site with public information materials
  - Media relationships, press releases
  - Sponsored events for fund-raising
  - Annual Report
  - Annual Monitoring and Evaluation Report
- Systematic measurement of the effectiveness of communication activities
  - Tracking of number and diversity of grant applications received
  - Content monitoring of media
  - Tracking of funds raised

### **Fundraising**

The fundraising target for the PAF is US\$ 12 million. There is a standing commitment by the Government of Bulgaria to match foreign contributions up to BGL 12.5 million. Potential external donors include the Global Environment Facility (GEF), bi-lateral donors, private foundations, and corporations. At the present time, the fund expects to receive US\$ 2 million from GEF, a matching amount from the Government of Bulgaria, and US\$ 200 thousand from the Government of Switzerland. Additional fund raising will be required to achieve the target US\$ 12 million.

## Bulgarian Protected Areas Fund Strategy

### *International Funding*

There are three categories of fund raising targets for the PAF: multi-lateral development agencies; bi-lateral development agencies; and foundations. Each presents a long term opportunity for fundraising, but requires a continuous effort to acquire grants.

#### *Multi-lateral Development Agencies*

GEF and European Union are two primary sources of funding in this category. GEF is capable of increasing its contribution to the endowment in the future, and NTEF should engage World Bank on this matter during mid-term and final reviews of the initial GEF grant. EU funding for the PAF may be available in the form of *pre-accession* grant funds. For both GEF and EU, provision of matching funding by the Government of Bulgaria will be essential.

#### *Bi-Lateral Development Agencies*

NTEF has received generous support from the governments of Switzerland and United States. NTEF should continue to nurture these relationships and seek other bilateral agencies with a biodiversity conservation agenda. The PAF is an ideal focus for bi-lateral funding given its history of strong donor relations, efficacy, and transparency.

#### *Foundations*

In 2002 an initial review of private foundations by BCEG in the United States and Europe that fund biodiversity conservation revealed that Bulgaria is not a priority region for many (See BCEG memoranda for list of foundations). This is attributable to two factors: a) there is not yet a tradition of philanthropy to Bulgaria; b) the biodiversity attributes of Bulgaria are not widely known. NTEF should focus on providing information to foundations and international conservation groups with interest in Europe in order to stimulate foundation interest in the future.

### *National Funding*

#### *Government Support*

The Government of Bulgaria will match external donations to the PAF, up to BGL 12.5 million. The ratio of this match must be 1:1 to satisfy grant requirements of GEF and other donors.

#### *Corporate Partnerships*

Partnership between the PAF and corporations operating in Bulgaria provide an opportunity to generate funding for the PAF endowment as well as publicity for the protected areas system. Partnerships with industry organizations, such as the Economic Development Council to the Ministry of Economy, AmCham, and BIBA may facilitate such partnerships. Partnerships can provide important strategic benefits to corporations.

- *Publicity:* Media coverage of events sponsored by corporate partners can reach millions of Bulgarians through television, radio, and print media.
- *Advertisement:* Product placement during events, such as outdoor equipment and consumables provide excellent opportunities for advertisement.
- *Corporate Identity:* Association with a cause of interest, such as the environment, can become a distinguishing characteristic to consumers.

## Bulgarian Protected Areas Fund Strategy

- *Corporate Social Responsibility*: Multi-national corporations seeking to maintain *license to operate* in countries like Bulgaria may seek opportunities to demonstrate their contributions to public welfare. Nature conservation is one effective option.

Event Sponsorship: The basic model for corporate-sponsored events has the following components:

- An event with appeal to media and of general interest to Bulgarian citizens, such as alternative sports with international participation, within protected areas;
- Agreements with corporate sponsors to contribute to the PAF endowment in exchange for sponsorship privileges such as event-based advertising and mention in media coverage; and,
- Focused media coverage of the event.

Signature Program Sponsorship: The fund can organize special high-visibility projects implemented by the fund *and* a corporate sponsor such as a media campaign about Bulgarian biodiversity or an infrastructure project for one of the protected areas. The corporate sponsor can receive exclusive rights to use the program for advertising purposes (within guidelines if publicity is planned within protected areas). Corporations in other countries have found signature programs to be among the most effective tools for projecting a corporate identity with a social issue of interest to its customers.

### **Endowment Management**

The PAF will develop an *endowment*, a portfolio of investments whose returns will provide annual income for expenses and grants. The objective of any endowment is to preserve the investment capital, spend a portion of the investment returns, and re-invest the remaining returns for future growth to offset inflation.

NTEF is currently operating a financial fund governed by operating and accounting procedures that have been audited satisfactorily by independent entities. However, NTEF has not operated as an *endowment* to date. The PAF will create an endowment, to be invested following the general guidelines outlined below.

Investment returns from the endowment shall be distributed to the PAF at a rate of five percent of the three-year moving average value of the endowment.

The initial amount to be invested as an endowment will be US\$ 2 million provided by GEF, US\$ 0.2 million from the Government of Switzerland, and US\$ 2.2 million as a match from GOB. Additional funds received by the PAF will be designated by the donor to either be added to the endowment or to be used as sinking funds. The final objective is to capitalize the endowment with US\$ 12 million.

The investment strategy for the endowment should minimize risk while ensuring an *average* annual return of at least eight percent, the rate of return necessary to cover: asset management fees; five percent annual distribution to the PAF; *and* the effects of inflation on the purchasing power of the endowment.

## Bulgarian Protected Areas Fund Strategy

<b>Financial Projections for Endowment</b>		
	<b>US\$ 4.4 Million Endowment</b>	<b>US\$ 12 Million Endowment</b>
Annual Asset Management Fees (1% or less of assets under management)	(\$44,000)	(\$120,000)
Annual Distribution to PAF from Endowment (5% of 3-year moving average of endowment value)	(\$220,000)	(\$600,000)
Annual Investment Return from Endowment (8-9% of endowment value*)	\$352,000 – \$396,000	\$960,000 – \$1.08 Million
Net for Reinvestment in Endowment (2-3% of endowment value)	\$88,000 – \$132,000	\$240,000 – \$360,000

\* Long-term average benchmark for balanced portfolio of U.S. stocks & bonds according to The Vanguard Group ([www.vanguard.com](http://www.vanguard.com)). Returns on European investments is historically lower.

An investment portfolio should include a mix of equities and fixed income (government bonds, corporate bonds, and bank deposits) investments. The allocation of assets in domestic (Bulgarian) investments should not exceed fifty percent (50%), and should be invested entirely in fixed income instruments. Assets invested outside of Bulgaria should be invested in the following proportions: at least twenty-five percent in fixed income instruments in non-emerging markets; the remainder in non-emerging market equities.

<b>Endowment Investment Strategy</b>	
<i>Asset Class</i>	<i>Percentage</i>
Domestic (Bulgarian) Investments	< 50.1% of total portfolio
Fixed Income	= 100% of domestic investments
International (Non-Emerging Markets) Investments	> 49.9% of total portfolio
Fixed Income	> 24.9% of int'l investments
Equities	< 75.1 % of int'l investments

The asset manager(s) will be selected on the basis of *total* cost of services (not to exceed 1% of assets under management), performance history (average annual returns *and* volatility of returns), and accountability. NTEF will conduct a competitive process to select the asset manager(s). The asset manager(s) will be required to execute a legal agreement, or provide legal documentation, ensuring that the investment strategy will not be changed without consultation with, and written agreement from NTEF. Such written agreement will require a decision of NTEF's Board of Directors. For the purposes of this endowment, the international investment objectives and guidelines stated here *may* be achieved through investment in publicly-traded mutual funds governed by the relevant financial regulatory body(ies) of the non-emerging market countries in which they are incorporated.

The NTEF's Executive Director will receive a monthly or quarterly report of the performance of the endowment from the asset manager(s). The representative of the Ministry of Finance in the NTEF's Board of Directors, with assistance from an external financial advisor if needed, will review and present the periodic reports from the asset manager(s) to the Board of Directors at their designated meetings. The Board of Directors shall change the asset manager(s) in the event that they determine that their performance or compliance with investment guidelines are unsuitable.

An accounting of the endowment's investments and returns will be included in the Annual Report of the Fund.

## Bulgarian Protected Areas Fund Strategy

Two financial risks faced by all endowments are short term volatility in investments and long-term erosion of value from inflation.

- Volatility is measured as standard deviation of portfolio value, and the historical benchmark for a balanced investment portfolio in the U.S. is approximately 10 percent. Volatility will be managed in three ways: i) the endowment portfolio is balanced between equities and fixed income investments and is diversified in both asset classes; ii) the annual distribution to the PAF is based on a percentage of assets in the endowment, not a fixed value, allowing for smaller distributions in cases of extended poor investment returns, thereby preserving the capital base as much as possible; and, iii) the percentage distribution is based on a three-year moving average of portfolio value, buffering the effects of short term fluctuations on the PAF's annual distribution.
- Inflation is offset through reinvestment of a portion of investment returns. The reinvestment projection is two to three percent of endowment value per year, which is lower than long-term average inflation rates for the US and Western European economies. Assuming that average long-term inflation is five percent per year in nations where the endowment is invested, the purchasing power of distributions to the PAF will diminish by one half in 23 to 35 years (at reinvestment rates of two and three percent, respectively). Over the long-term, periodic replenishment of the endowment with new grants will be needed to offset this effect.

## Bulgarian Protected Areas Fund Strategy

### ANNEX A: LOGICAL FRAMEWORK FOR PROTECTED AREAS FUND

Project Description	Indicators	Means of Verification
<p><i>Mission</i>  <b>To support the protection of the landscapes, natural habitats, and biodiversity of Bulgaria's protected areas as envisioned in the <i>National Strategy for the Conservation of Biological Diversity</i>, through sustained funding that complements normal government expenditures and co-financing from donor projects for protected areas.</b></p>		
<p><b><i>Theme 1: Biodiversity Conservation</i></b>            Purpose: To preserve, maintain, and restore landscape, natural habitats and native species of the country.</p>		
<p>Objective 1.1</p> <p>Restore and maintain at ecologically appropriate levels the natural habitats and species populations representative of Bulgarian biodiversity.</p>	<p>Status of natural habitats            Status of priority species for conservation            Status of landscape features            Status of impacts of PA management            Status of threats to biodiversity</p>	<p>Annual Monitoring and Evaluation Report</p>
<p>Objective 1.2</p> <p>To assist government in improving monitoring of structure and function of ecosystems in protected areas, state of species populations, and impacts of management of protected areas</p>	<p>Existence and implementation of peer-reviewed scientific program for monitoring             Baseline studies.</p>	<p>Annual Monitoring and Evaluation Report  <i>(To be created under this Objective)</i></p>
<p><b><i>Theme 2: Infrastructure and Equipment for Protected Areas</i></b>            Purpose: To provide access and facilities for protected areas to ensure their normal functions and management.</p>		
<p>Objective 2.1</p> <p>To provide infrastructure and equipment for management activities of protected areas, such as fire control, patrols, monitoring, and rescue.</p>	<p>Response time for emergencies             Percentage of protected areas regularly monitored             Status of roads, shelters, and equipment for management activities</p>	<p>Annual Monitoring and Evaluation Report</p>
<p>Objective 2.2</p> <p>To provide visitors with adequate infrastructure for tourism while minimizing ecological harm</p>	<p>Number and origin of visitors             Length, quality, and percentage utilization of trails             Number, capacity, quality, and percentage utilization of shelters             Number and percentage utilization of information centers and kiosks             Satisfaction of visitors (periodic surveys)</p>	<p>Annual Monitoring and Evaluation Report</p>

## Bulgarian Protected Areas Fund Strategy

### ANNEX A: LOGICAL FRAMEWORK FOR PROTECTED AREAS FUND

Project Description	Indicators	Means of Verification
	Biodiversity, habitat, and landscape status potentially affected by visitors (see Theme 1)	
<b>Theme 3: Management Plan Development for Protected Areas</b>		
Purpose: To enhance capacity of Government to prepare up-to-date management plans		
Objective 3.1  To provide training and technical support to Government for the preparation of up-to-date protected area management plans.	Protected areas staff trained in management plan development  Special technical consultants funded to assist in management plan development	Annual Report of Fund
<b>Theme 4: Sustainable Economic Use of Protected Areas</b>		
Purpose: To assist businesses in the development of ecologically sound ventures within protected areas (e.g. eco-tourism, non-timber natural resources)		
Objective 4.1  Support to private businesses and their associations related to protected areas based on sustainable use of natural resources.	Number of entrepreneurs assisted  Number and diversity of enterprises utilizing protected areas in a sustainable manner  Employment and declared income from initiatives related to protected areas	Annual Report of Fund  Government statistical reports (State, Municipal, Business Associations)
<b>Theme 5: Communication and Education</b>		
Purpose: To enhance public knowledge of biodiversity conservation and the protected areas system		
Objective 5.1  To provide materials for conservation education in Bulgaria	Diversity of media used  Number of educational products  Number of people exposed to educational products	Annual Report
Objective 5.2  To provide information and interpretation for visitors to protected areas system	Number and diversity of information sources available  Number of visitors exposed to information and interpretation  Satisfaction of visitors (periodic surveys)	Annual Report  Annual Monitoring and Evaluation Report

**ANNEX B: FORMAT FOR GRANT APPLICATIONS**

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**INSTRUCTIONS**

- 1. The purpose of this application format is not just to provide PAF with required information in order to properly assess the proposal, but to help applicants to systematically think through all the components of the project.**
  - 2. Please do not exceed the recommended length for each section.**
  - 3. All relevant sections must be completed for the application to be considered.**
  - 4. Please append all enclosures requested at the end of the document.**
  - 5. Please review your proposal compared to the attached list of PAF Project Selection Criteria to determine if your proposal will qualify for funding**
- 
- 

**APPLICATION FORMAT**

Applications should include the following sections:

**1. Information about the applicant**

- Name , address, legal status of the organization
- Main business activities (for companies), objectives (for non-profit organizations), functions (for budget organizations)
- Major environmental problems facing the organization
- Managers' name and titles
- Project management responsible person – name and title

**2. Project name and site description – maximum 1 page**

- Project name
- Project location – maps of the project site, at least one basic map outlining the location and at least one detailed site level map that highlights any relevant boundaries the natural resources to be managed and utilized, etc.
- Demographics data of the surrounding community
- The dominant economic and social circumstances prevailing in project location

**3. Project objectives – maximum 1 page**

- Proposals should clearly state project objectives.
- The objectives must be specific, measurable, realistic and achievable within the project's lifetime.
- Each objective should result in a measurable output.

**4. Project description – maximum 3 pages**

- Project summary – State concisely the specific problem that the project seeks to address,
- Describe the spheres of impacts, identify the root causes, the effects they have on the PA as well as the consequences of not addressing them. The problem must be solvable within the time constraint of the project and the resources of the implementers,

## Bulgarian Protected Areas Fund Strategy

- Describe any actions taken in the past to correct the problem and the results of those actions.
- Indicate in a separate table in the format below, the amount of funds requested and specific articulation of how these funds will be used towards the project objectives, the desired PA outcome:

Project objective	Outputs**	Activities	Budget

\*\*Results to be achieved (Examples: hectares of habitat to be conserved, # of species to benefit, # of indirect beneficiaries, # of direct beneficiaries, etc.) The outputs should show evident linkages with the PAF log frame indicators.

### 5. Methodology

- Provide clear summary of the proposed activities/strategies for achieving the desired outcomes (briefly describe the approach or techniques to be used and clearly indicate the reason for choosing this method or technique or technology). Indicate existing alternatives. Explain how the project will be managed.

### 6. Implementation Schedule

- Please use the format shown to indicate activities to be carried out under the project and time required to complete them. The time line is given in months with the first month indicating the start of project related activities.

Activities	Person responsible	Time line in months															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	...

### 7. Qualification and experience of key personnel

- Indicate the governing body which will be responsible for overall oversight of the project. E.g. board, management committee.
- Indicate who will be responsible for day to day management and implementation.
- State the primary roles and desired qualifications of the key persons to be employed with project funds (e.g. project manager, financial officer, technical officer)
- Attach the details of terms of reference of consultants to be employed.

### 8. Project financing plan and budget;

- Bills of quantity if applicable and/or,
- List of goods works and services required for successful implementation of the project, **incl. the following cost categories** – personnel, lodging, travel, communications, equipment, subcontracts, administrative support, miscellaneous, any costs associated with the project that do not fit into the above categories

## Bulgarian Protected Areas Fund Strategy

All prices should be in BGL, based on current market prices or quotations received from suppliers or contractors.

Please use the format shown below to prepare the project budget:

Item	Required from PAF	Applicant's contribution	Other contributions	Total
1				
2				
3				
Sub total				
Grant total				

The applicant should indicate the basis of the estimated costs for each of the main line items in the budget – a) the unit price and, b) quantity. Attach copy of quotations/estimates by component, professional invoices.

### 9. Counterpart funding;

- List other organizations approached for financing for this project,
- The amount requested and amount approved,
- Economic justification for the project if applicable

### 10. Project sustainability evaluation - maximum 3 pages

#### 10.1 Financial sustainability

PAF seeks to fund those projects that are expected to yield protected area results that are technically and financially sustainable over the long term.

- Explain how the operations of the project, or related follow-up activities will be financed after PAF funding is finished.
- If the nature of the project is such that activities will cease after the end of PAF financing describe how results of the project be sustained?

#### 10.2 Institutional sustainability

- Describe how the organizational structures allow the project to continue existing after the end of the present project?
- Will be there local “intellectual ownership” of project outcomes?

#### 10.3 Sustainability at the policy level

- Describe what will be the structural impact of the project – e.g. will it lead to improved methods, management, new policies, etc?

### 11. Project significance evaluation

The applicant must present the conservation rationale for the project, defined in terms of the area's biodiversity and ecological value as well as the broader conservation impacts of the proposed interventions as well the achieved social effect.

## Bulgarian Protected Areas Fund Strategy

- Maintain or/and recover native habitat and species diversity – To what extent will the project preserve or restore species and habitat diversity in the PA? (e.g. change in limiting factors for key species, change in number and/or distribution of keystone or indicator species, stop/limit degradation of particular habitat etc.).
- Benefits to the natural processes functioning - To what extent will the project maintain or/and restore functioning of natural processes in PA.
- Social benefits – Describe what is the project’s significance from a regional perspective; relevance of the project to the needs of the region, district and/or municipality (-ies)? (Give potential increase of income, creation of jobs and new businesses, improved natural environment etc.)
- Describe project’s impacts at a larger geographic scale.

### **12. Other projects in the region of project implementation**

- List all projects implemented in the region relevant to the proposed project or projects that can affect the project implementation and results. List the on going projects as well as those implemented in the past.
- Describe briefly how they relate to, or affect the proposed activities.
- Specify how the project intends to build on a previous projects or activities.

### **13. List of Collaborating Entities**

- Indicate the organizations/agencies (NGOs, public, private, and donor) and /or individuals with which the applicant proposes to collaborate. Indicate the reasons for the role of each partner.

### **14. Additional Documents**

- Environmental impact assessment, when required,
- Current court registration certificate (if applicable),
- Declaration of authenticity of information,
- Proposals by entities other than Park Directorates that involve activities within protected areas, or activities that may directly affect protected areas must be accompanied by a letter of agreement from relevant Park Directorates or responsible for the protected area authorities.

### **15. Project evaluation (including Monitoring and Evaluation Plan)**

Monitoring and evaluation are the primary mechanisms to assess whether a project is meeting its targets and objectives. Each proposal should include a Monitoring and Evaluation Plan (M&E Plan), that:

- States clearly indicators for evaluation of project implementation - what parameters will be used to indicate success and how will be measured (Hectares of PA to be conserved, No of species to benefit, No of indirect beneficiaries, No of trees to be planted, No of direct beneficiaries);
- Specifies how often monitoring will be done and by whom;
- Specifies how often evaluations will be made and by whom;
- Outlines any necessary training that is required;
- States the intended audience for the evaluations;
- Specifies how information will feed back into management decisions;
- State clearly the decision points at which action must be taken to address negative trends;

## Bulgarian Protected Areas Fund Strategy

- Specifies costs and funding sources for the various monitoring activities into the overall budget of the project.

Use the format below to indicate how the organization will measure outcomes:

Outcome	Indicator of success	Method of Measurement

### 16. Environmental Assessment

This section should identify the impacts of the proposed project activities on the natural environment. The assessment includes project impacts on abiotic and biotic elements of the natural environment. The assessment must be cross-referenced with Chapter 6, Annex 1, and Annex 2 of the Environmental Protection Act to determine if a formal environmental impact assessment (EIA) is required. If so, then a complete EIA must be submitted. The requirements listed in the Environmental Protection Act are harmonized with major international donor requirements for EIAs. It is the responsibility of the Executive Bureau to ensure EIA requirements of future donors to the PAF correspond to the Environmental Protection Act.

The following environmental assessment checklist is intended to:

- Assist applicants in understanding effects of proposed activities;
- Assist the NTEF/PAF to identify the environmental information needed to make decisions on proposals; and,
- Determine if formal environmental review of proposals is required under the Environmental Protection Act and/or special donor requirements.

This preliminary project impact assessment does not exclude the EIA required as per Environmental Protection Act and other legal documents. It is the obligation of the applicant to comply with the official legal requirements.

All project proposals should have a statement from the relevant authorities (RIEW, MOEW-departments, Parks' administrations, etc.) for compliance with the legal provisions for environmental protection as required by legislation.

In Section I (Affected Areas) of the checklist, provide information on the project area.

- Are project impacts within or near protected areas?
- What category of protected area is affected by the project?
- Are adjacent regions/communities impacted by the project?

Impact duration should be evaluated as follows:

- *Short term impacts* are those impacts that occur only at the outset of the project (e.g. temporary vehicle traffic during the period of construction);

## Bulgarian Protected Areas Fund Strategy

- *Long-term impacts* are those impacts that continue for a prolonged period of time (e.g. clearing of vegetation, increased human visitation to an area); and,
- *Permanent impacts* - those impacts, which cause irreversible change in the environment. (e.g. permanent structures, diversion of waterways).

Cumulative and synergistic impacts may be minor when assessed individually, but in combination and *often over time*, may prove major. An effort should be made to identify impacts that are cumulative and synergistic.

## Bulgarian Protected Areas Fund Strategy

### *Environmental Assessment Checklist*

Affected Areas /Environmental components	Environmental Impact		Impact assessment		Impact duration			Description of Impact	Mitigation measures or Alternatives
	YES	NO	Positive	Negative	Short term	Long term	Permanent Impact		
<b>I. AFFECTED AREAS</b>									
1. Strict Nature Reserves									
2. National Parks									
3. Natural Parks									
4. Natural Monuments									
5. Maintained Reserves									
6. Protected Locality									
7. Areas adjacent to Protected Areas									
<b>II. ENVIRONMENTAL COMPONENTS</b>									
<b>A. Biological Environment</b>									
1. Flora									
1.1. Vegetative cover									
1.2. Dominant species									
1.3. Rare, endangered, threatened, endemic, species									
2. Fauna									
2.1. Terrestrial & fauna									

## Bulgarian Protected Areas Fund Strategy

2.2. Dominant species									
2.3. Rare, endangered, threatened, endemic, species									
<b>B. Physical Environment</b>									
1. Hydrology									
1.1. Surface water									
1.2. Ground water									
2. Air Quality									
3. Soils									
3.1. Contamination (chemicals, petroleum products, etc.)									
3.2. Erosion									
<b>C. Wastes</b>									
1. Solid waste									
2. Liquid waste									
<b>D. Noise and light pollution</b>									
<b>E. Historical, cultural and archeological impacts</b>									
<b>F. Other</b>									
1. Landscape aesthetic quality									
2. Other									

**Appendix 8: PAF Fundraising Report**

## PAF Fundraising Report

NAME	CONTRIBUTION	CONTACT PERSON	COMMENTS
Bulgarian National Radio	<p>In-kind contribution: 84 minutes* radio broad-casts valued at 28,728 BGL</p> <p>For the Rila Mountain Bike Tour in Aug 2003, BNR made in-kind contributions of: 61.5 minutes radio broad-casts valued at 21,033 BGL</p> <p>* 1 min radio program production price is 342 BGL</p>	<p>Radostina Biliarska, Horizon Program, Tel: 9336 443 <b>Fax: 866 57 00</b></p>	<p>With the largest audience of listeners in country the BNR provides best opportunities for promotion and marketing of the PAF. It has the potential to support the fundraising activities and through this to attract other sponsors. The management of the BNR and especially of its first program Horizon are willing to support the PAF in future.</p>
Radisson SAS Grand Hotel Sofia	<p>In-kind contribution: rooms for the Eco-Trek participants and halls for presentations valued at 4,128 BGL</p> <p>During the Rila Mountain Bike Tour in Aug 2003, the Radisson made in-kind contributions valued at 7,008 BGL</p>	<p>Justina Grigorova, PR and Marketing Coordinator <b>Tel: 9334 615</b></p>	<p>Gave in-kind for both PAF fundraising initiatives in August 2003 and February 2004. Can not contribute cash. Reasons: Such practice is not in the policy of the Radisson Chain of Hotels and Resorts</p> <p>The company can be a valuable partner in the promotion of PAF in country and abroad. For the Winter Fundraiser they distributed the PAF leaflet to their guests for a month and agreed to publish an article in the Chain Magazine. The General Manager, Mr. J.Grieg is a member of the Bulgarian Business Managers Association and of the Biggest Hotel's Managers Association and as such can be a valuable PAF contact person in both associations.</p>
ORBITEL, Internet and telecommunicati	<p>In-kind contribution: Internet phone cards valued at 200 BGL</p>	<p>Gergana Stoimenova, MarCom Specialist Tel: 937 07 90</p>	<p>Responsive and willing to stay in touch and cooperate in the future. Provided in-kind for the Winter Fun-raiser. Reasons: 1. Do not have policy to support extreme sports events. 2.The sponsorship budgets are already</p>

### PAF Fundraising Report

NAME	CONTRIBUTION	CONTACT PERSON	COMMENTS
ons services provider		Fax: 937 07 44	allocated.
Coca Cola, Bottling, distribution and trade with Coca Cola soft drink products	In-kind contribution of soft drinks made for Rila Mountain Bike Tour in August 2003 valued at 550 BGL	Daniela Michovska, Chief of Marketing and Advertisement Tel: 921 4680, 921 4703 Fax: 921 4652, 9214653	Interested in mini-scale educational projects. Asked for concrete proposal – design of such project.
Over GAS, Gas infrastructure development, transport and trade with nature gas	None to date	Stela Blagova, Ecology Specialist Tel: 960 32 36 Fax: 971 37 95	Did not support the Winter Fundraiser. Reason: Need more information and time for decision-making. Willing to receive information and participate in meetings and events. The contact person, Mrs. Blagova is responsive. She participated the special presentation of PAF corporate sponsorship opportunities on 30 January, 04.
Mobiltel, Austrian Company, Biggest GSM operator in country (more than two million subscribers)	None to date	Boyka Marinova, Head of sector, Mtel Agency Tel: 088 500 031 Fax: 088 500 032	Two meetings held. First one with the Head of Mtel Agency, second one with Head of Sector in the Mtel Agency. Demonstrated long term interest. Could not support the present initiatives. Reasons: Budgets are already allocated. In January gave 200 000 leva to the Bulgarian Ski federation.
Petrol Ltd., trade with petrol products	None to date	Ivan Filipov, Board of Directors Member	Mr. Filipov participated the special presentation of PAF corporate sponsorship opportunities on 30 January, 04. Willing to stay in touch and receive information.

## PAF Fundraising Report

NAME	CONTRIBUTION	CONTACT PERSON	COMMENTS
		96 90 283	
Umicore Med JSC, owned by Belgium company Solovey; Manages the biggest copper production plant in country	None to date	Peter Jordanov, Chief of Ecology Department Tel: 728 48 2203 Fax: 728 48 2514	Contractor of the NTEF. Requested additional information about any protected areas near their plant. Were provided with a map of CNBP and parts of the MP of CBNP that describe the pollution caused by the Company's Plant. The border of the CBNP lays on 6 km from the Plant. Mr. Peter Jordanov participated the special presentation of PAF corporate sponsorship opportunities on 30 January 04. Expressed interest in the PAF and readiness to work with the CBNP Directorate.
Bulgaria Newspaper Group, owned by German Company VAZ, producer of newspapers with largest circulation in country	None to date	Melania Rasheva, Chief of Advertisement Department Tel: 942 22 55, – 22 56, –1504	Allowed the names of the sponsors of the Winter Fundraising initiative to be listed in articles of their editions.  Could contribute a lot to the promotion of PAF as the biggest newspaper company in country as holding all the newspapers with large circulation. Mrs. Melania Rasheva participated the special presentation of PAF corporate sponsorship opportunities on 30 January 04.
Shell, Bulgaria trade with petrol products	None to date	Camelia Slavejkova, Chief of Advertisement Department Tel: 960 17 00, 960 17 43 Fax: 945 49 29	Did not support the initiative. Reasons: Doing only advertisement of products in country and don't work for the corporate image. Have a general interest to the theme and do not mind receiving information.
<b>RESOURCE ORGANIZATIONS</b>			

## PAF Fundraising Report

NAME	CONTRIBUTION	CONTACT PERSON	COMMENTS
American Chamber of Commerce	None to date	Maria Marcheva, Event Manager Tel: 9769 565, 9769 566; Fax: 9769 569	Resources organization that supported the PAF with organizing a special presentation of the PAF for its members  Nongovernmental business association uniting more than 190 American, Bulgarian and multinational companies operating in Bulgaria.
BIBA Bulgarian International Business Association	None to date	Andriana Tosheva, Executive Director Phone/Fax: 9819169, 9819564, 9886776	BIBA provides a platform for the exchange of information and expertise, which are brought together to form the basis of its strategy for the improvement of the business climate in the country. Therefore, the Association can be a valuable partner for the PAF fundraising initiatives. The Executive Director proposed to organize a special presentation of the PAF corporate partnership opportunities and to publish information about the Fund and its initiatives on the web site of the Association.  A non-profit organization aiming to represent the interest of international business in Bulgaria. Presently, standing behind the interests of over 200 companies

## **Appendix 9: NEW Group Terms of Reference**



ARD – Bulgaria  
Biodiversity Conservation  
and Economic Growth  
Project - II

*Funded by the United States Agency for International Development  
and the Government of Bulgaria*

55 Parchevich Street, 3<sup>rd</sup> floor, Sofia 1000  
tel/fax: (02) 986 7418; 986 3686; 986 3846; 980 7240

## **NEW Group Terms of Reference/Concept Paper**

### Introduction

Based on a *Protocol for Cooperation* in the field of ecotourism, signed between the Ministry of Environment and Waters, the Ministry of Economy, and the Ministry of Agriculture and Forests on October 4, 2002, the United States Agency for International Development (USAID) supported the finalization of a National Ecotourism Strategy (NETS) and development of a five-year National Ecotourism Action Plan (NETAP) for Bulgaria.

*The Draft of the National Ecotourism Strategy was developed through a process of broad participation* of all stakeholders: Ministries and their regional units, local authorities' representatives, national and regional tourism unions and associations, non-governmental organizations. Preliminary drafts of the Strategy were presented in October 2002 and in February 2003 at National Forums.

*The finalization of the Strategy and the development of a five-year National Action Plan are being executed in parallel at national and regional level. At the national level, the Strategy is being improved through a series of focus working meetings with experts. In parallel with the work at the national level, another process is being completed through which Ecotourism Action Plans for twelve potential ecotourism destinations are being generated.*

The final results, the improved NETS and the NETAP, will be submitted to the National Tourism Council (NTC) for review and recommendation to the Ministry of Economy. Once approved by the Ministry of Economy, these two documents will be presented at the Second National Ecotourism Forum scheduled for January 29 and 30, 2004.

The following institutional structure and support mechanism will be submitted to the NTC.

#### **1. The National Ecotourism Working Group (NEW Group) should be established as the institutional mechanism for implementation of the National Ecotourism Strategy and Action Plan**

The implementation of the National Ecotourism Strategy and Action Plan requires steps be undertaken toward its *institutionalization* at the national and regional levels. A mechanism exists

at the National level through which the priorities in the ecotourism area are going to be included in the development programs and strategies at the local, regional and administrative units' level. The regional tourism associations have assumed a coordination role and taken initiatives in this direction. Their network is growing and their associations are in a process of development and stabilization.

At the National level the formation of the *NEW Group within the National Tourism Council* is proposed. This proposal is in accordance with Article 5, item 2 of the Regulation on the Structure and Activity of the National Tourism Council as a national-level coordination mechanism. This action would provide the Working Group with permanent institution status, an associated secretariat and possible mechanisms for funding of its activity.

**2. The main purpose and function of the NEW Group is to be an inter-institutional coordinator of the efforts for implementation of the National Ecotourism Strategy and its associated Action Plan.** The Working Group would provide advice and support to the Minister of Economy for the development of ecotourism as a priority strategy for Bulgaria's economic development. The NEW Group is envisaged to be a mechanism for ecotourism policy coordination and to provide assistance in the implementation of the National Ecotourism Strategy and Action Plan. The executive unit within the group is its secretariat, proposed to be a unit of the National Tourism Agency.

### **3. The roles and responsibilities of the NEW Group**

- Contribute to the finalization of the National Ecotourism Strategy and Action Plan (NESAP);
- Coordinate the implementation of the NETAP during the next five years:
  - Develop annual implementation plans;
  - Ensure cross-sectoral information exchange to contribute to effective planning and implementation of specific activities;
  - Serve as a mechanism for information exchange and decision making by the responsible ministries and other institutions;
  - Annually review and assess the implementation of the NETAP and update it;
- Coordinate at the operational level the donors development assistance funding and technical assistance support for ecotourism development at the regional and national levels.
- Support information exchange within the framework of ecotourism networks
- Ensure the presence of Bulgaria in international ecotourism networks and organizations through active communication at the operational level;
- Take active steps to strengthen Bulgaria's position as a transnational and cross-border ecotourism hub for trip circuits and marketing activities in Southeast Europe

### **4. The proposed membership and the management of the NEW Group follows:**

Membership (9 Representatives):

- Ministries – Ministry of Economy, Ministry of Environment and Waters, Ministry of Agriculture and Forests, Ministry of Culture, Ministry of Regional Development and Public Works – 5 people
  - National branch and product associations – 1
  - Regional tourism organizations – 1
  - Nature protection NGOs – 1
  - National associations working in support of the local government reform – 1

Each of the Ministries will appoint its representative. The other candidate representatives of interested parties will be nominated by interested organizations and the final appointments will be made by the Minister of the Economy. Each representative of the interested groups will have the obligation to consult with the group that he/she represents.

The level of representation from the ministries will be that of the highest expert (section head or senior expert); from the other institutions - the highest expert level.

The NEW Group will be managed by a Chairman, the Deputy Minister of Economy, who will also serve as the liaison to the National Tourism Council and to the Minister of Economy. The direct organizational activities of the NEW Group will be carried by a Secretariat.

The Secretariat will be responsible for the overall coordination and documentation of the Working Group's operation. The Secretariat will consist of 2 experts and administrative support personnel. The Secretariat will be located at the Ministry of Economy.

**Appendix 10: FLGR—Opportunities for Sustainable Local  
Development through the Encouragement of  
Ecotourism**